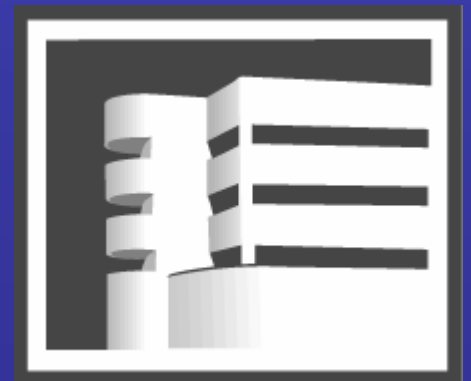




City of Lawrence, Kansas
**2008 Operating and
Capital Improvement Budget**



CITY OF LAWRENCE KANSAS MISSION STATEMENT

Our Mission

We are committed to providing excellent city services that enhance the quality of life for the Lawrence community.

Our Principles

We are committed to these basic values:

**Integrity
Courtesy
Fairness
Honesty**

How we get the job done is as important as getting the job done.

Our interaction with the community will be professional, responsive, direct, personal, caring and appropriate.

We will promote teamwork, employee satisfaction, and professional development in order to provide innovative, cost effective, efficient service.

Our Vision

We will provide leadership in preparing for the future.

We want our citizens, clients and customers to have high expectations of City services; we will do our best to meet and exceed those expectations.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Lawrence
Kansas**

For the Fiscal Year Beginning

January 1, 2007

President

Executive Director

TABLE OF CONTENTS

INTRODUCTION

Organizational Chart	i
Elected Officials and Executive Staff	ii
Lawrence at a Glance	iii
Budget Development Policies and Procedures	vi
Budget Calendar	vii
Lawrence City Commission Goals	ix
Budget Policies	
Investment and Cash Management Policy	xiv
Governmental Accounting Policy	xviii
Mid-year Funding Request Policy	xx
Debt Management Policy	xxi
Debt Issuance Guidelines	xxvii
General Fund Balance Policy	xxviii
Transient Guest Tax Policy	xxix

OVERVIEW

Section A. BUDGET MESSAGE AND OVERVIEW

Budget Message	A - 01
Fund Overview	
Fund Overview	A - 07
Budget Fund Summary of Resources by Classification and Expenditures by Category	A - 10
Budget Resources by Classification	A - 12
Budget Expenditures by Category	A - 13
Budget Expenditures by Fund	A - 14
Personnel Summary - Three Year	A - 15
Computation of 2008 Ad Valorem Tax Requirements and Mill Levy	A - 16
Fund Expenditure Summary 2006-2008	A - 17
Value of Your City of Lawrence Tax Dollars	A - 18
Comparison of Local Mill Levies	A - 19
Significant Changes in Fund Balance	A - 20
Projection of Financial Condition	A - 21
Summary of Outside Agency Funding Allocations	A - 22
Fund Projections	A - 24

GENERAL OPERATING FUND

Section B. GENERAL OPERATING FUND - 001

General Operating Fund Resources by Classification (Chart)	B - 02
General Operating Fund Resources (Table)	B - 03
Major Revenue Sources - Descriptions, Projection Assumptions and Trends	B - 04
Illustrative Charts: Historical Data	
Major Revenue Sources 2002 - 2007 (Chart and Table)	B - 07
General Operating Fund Expenditures By Category (Chart)	B - 08
General Operating Fund Expenditures By Department (Chart)	B - 09
General Operating Fund Expenditures (Table)	B - 10
Department / Division Table of Contents	B - 11

TABLE OF CONTENTS

City Commission	B - 12
Office of the City Manager	B - 14
Planning and Development Services	B - 18
Administrative Services	B - 24
Finance	B - 30
Information Systems	B - 34
Legal Services	B - 36
Police	B - 42
Fire and Medical	B - 44
Lawrence/Douglas County Health Department	B - 46
Public Works	B - 48
Parks / Facility Maintenance	B - 62
 <u>SPECIAL REVENUE FUNDS</u>	
<u>Section C. GUEST TAX FUND - 206</u>	
Fund Resources and Receipts	C - 02
Fund Expenditures	C - 03
 <u>Section D. LIBRARY FUND - 209</u>	
Fund Resources and Receipts	D - 02
Fund Expenditures	D - 03
Other Fund Information	D - 04
 <u>Section E. PUBLIC TRANSPORTATION FUND - 210</u>	
Fund Resources and Receipts	E - 02
Fund Expenditures	E - 03
Other Fund Information	E - 04
 <u>Section F. RECREATION FUND - 211</u>	
Fund Resources and Receipts	F - 02
Fund Expenditures	F - 03
Other Fund Information	F - 04
 <u>Section G. SPECIAL ALCHOHOL FUND - 213</u>	
Fund Resources and Receipts	G - 02
Fund Expenditures	G - 03
 <u>Section H. SPECIAL GAS TAX FUND - 214</u>	
Fund Resources and Receipts	H - 02
Fund Expenditures	H - 03
Other Fund Information	H - 04
 <u>Section I. SPECIAL RECREATION FUND - 216</u>	
Fund Resources and Receipts	I - 02
Fund Expenditures	I - 03
Other Fund Information	I - 04

TABLE OF CONTENTS

DEBT SERVICE FUND

Section J. BOND AND INTEREST FUND - 301

Fund Resources and Receipts	J - 02
Fund Expenditures	J - 03
Other Fund Information	J - 04
Computation of Legal Debt Margin	J - 04
Statement of Outstanding Indebtedness	J - 05
Total City Debt (Graph)	J - 05
Current and Planned Debt Issues	J - 06
Current Debt Service Schedule (Chart)	J - 07
General Obligation Debt Service (Graph)	J - 08

ENTERPRISE FUNDS

Section K. WATER AND WASTEWATER FUND - 501

Fund Resources and Receipts	K - 02
Fund Expenditures by Category	K - 03
Fund Expenditures by Division	K - 04
Division Budget Information	
Utility Billing and Collection	K - 06
Administration	K - 08
Engineering	K - 10
Clinton Water Treatment Plant	K - 12
Kaw Water Treatment Plant	K - 14
Wastewater Treatment Plant	K - 16
Sanitary Sewer Collection System	K - 18
Quality Control	K - 20
Water Distribution System	K - 22
Debt Service	K - 24
Non-Bonded Construction	K - 24

Section L. SOLID WASTE FUND - 502

Fund Resources and Receipts	L - 02
Fund Expenditures	L - 03
Division Budget Information	
Residential Collection	L - 04
Commercial Collection	L - 06
Solid Waste Reduction / Recycling	L - 08

Section M. PUBLIC PARKING SYSTEM FUND - 503

Fund Resources and Receipts	M - 02
Fund Expenditures	M - 03
Other Fund Information	M - 04

Section N. STORM WATER UTILITY FUND - 505

Fund Resources and Receipts	N - 02
Fund Expenditures	N - 03
Other Fund Information	N - 04

TABLE OF CONTENTS

Section O. PUBLIC GOLF COURSE FUND - 506

Fund Resources and Receipts	O - 02
Fund Expenditures	O - 03
Other Fund Information	O - 04

CAPITAL IMPROVEMENT BUDGET

Section P. CAPITAL IMPROVEMENT BUDGET

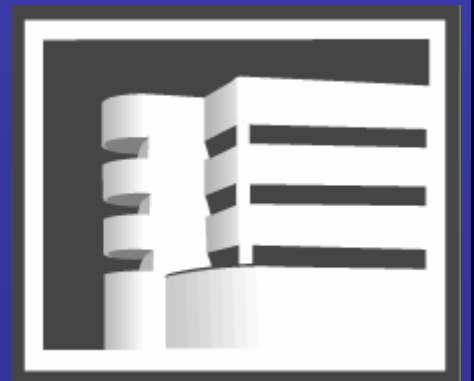
Capital Improvement Budget Summary	P- 02
2007 Capital Improvement Budget Scoring Matrix	P- 04
2007 Capital Improvement Budget	P- 06
2007 Capital Improvement Budget - Impact on City's Operating Budget	P- 08

APPENDIX

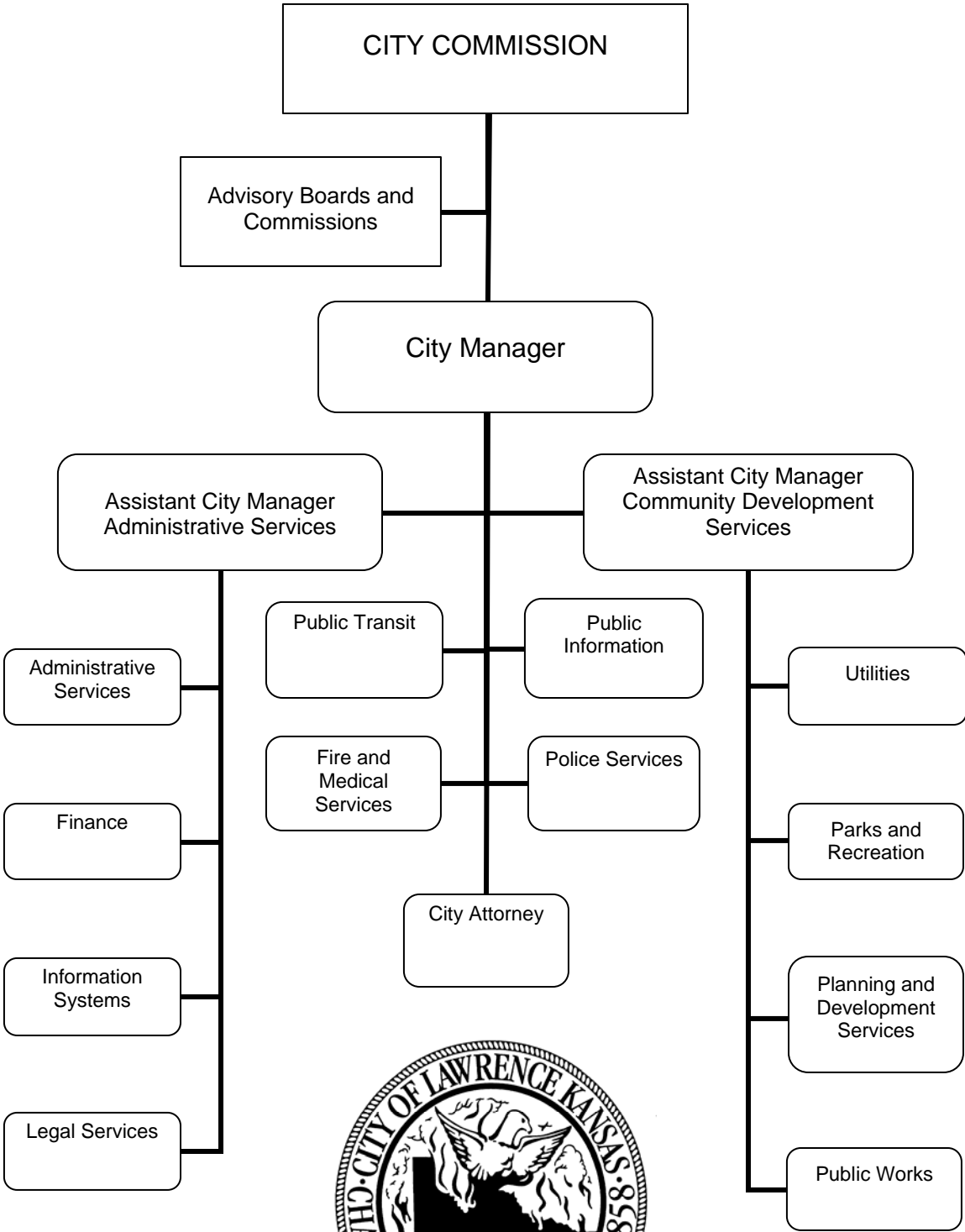
List of Acronyms	Q - 02
Glossary of Terms	Q - 03



City of Lawrence, Kansas **Introduction**



City of Lawrence Organizational Chart



City of Lawrence Elected Officials

SUE HACK, Mayor

MIKE DEVER, Vice Mayor

MIKE AMYX, Commissioner

ROB CHESTNUT, Commissioner

DENNIS "BOOG" HIGHBERGER, Commissioner

City of Lawrence Executive Staff

DAVID CORLISS, City Manager

DEBBIE VAN SAUN, Assistant City Manager/Airport Manager

MARK BRADFORD, Fire/Medical Chief

RON HALL, Information Systems Director

SCOTT MCCULLOUGH, Planning and Development Services Director

ED MULLINS, Finance Director

RON OLIN, Chief of Police

FRANK REEB, Administrative Services Director

ERNIE SHAW, Interim Parks and Recreation Director

CHUCK SOULES, Public Works Director

DAVE WAGNER, Utilities Director

TONI WHEELER, Legal Services Director

LAWRENCE AT A GLANCE*

Demographics

Population

1970	45,698
1980	52,738
1990	65,657
2000	80,098
2005 (est.)	88,664

Population by Gender

Male	49.7%
Female	50.3%

Median Age

25.3 years

Ethnic Composition

African American	5.1%
American Indian	2.9%
Asian	3.8%
Hispanic or Latino	3.6%
Other	1.4%
Two or more races	3.0%
White	83.8%

Population Distribution

65 and over	7.2%
45-64	15.1%
25-44	28.5%
18-24	30.7%
5-17	13.1%
Under 5	5.4%

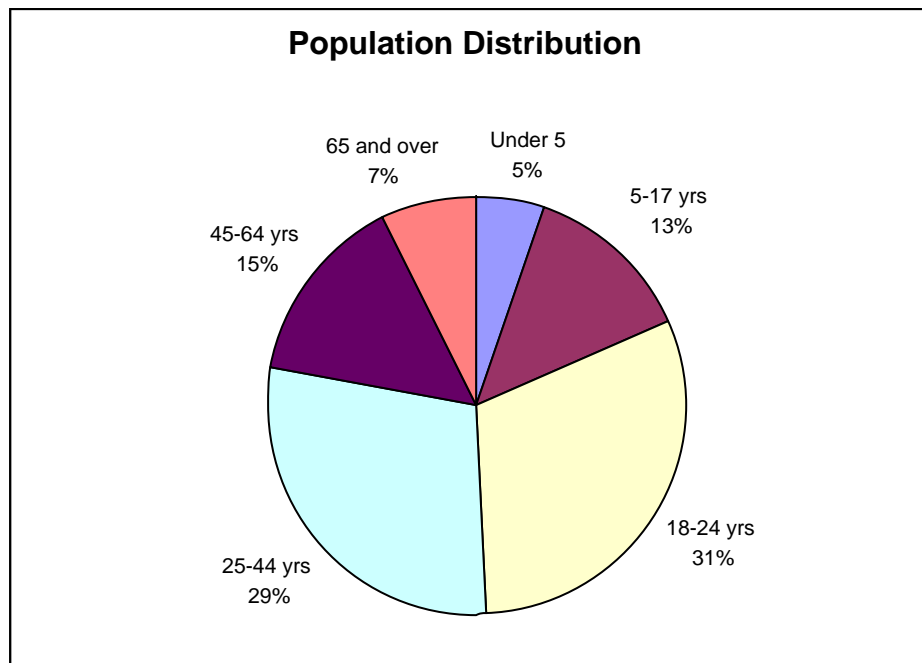
Educational Attainment (over age 25)

9-12, No Diploma	5.1%
High School Diploma	18.5%
Some College	21.9%
Associates Degree	4.8%
Bachelor's Degree	26.9%
Graduate Degree	20.8%

Other Census Information

Average Household size	2.3
Average Family Size	2.9
# of Owner-Occupied Units	14,393
# of Renter-Occupied Units	16,995
# of Vacant Units	1,373

*Information from Lawrence Chamber of Commerce, 2000 U.S. Census, Kansas Dept. of Labor, and U.S. Dept. of Labor



LAWRENCE AT A GLANCE

Form of Government

The City of Lawrence, established in 1854, is governed by a Commission-Manager form of government in which five Commissioners are elected at large. The City Manager is appointed by the Commission.

Tax Information

2006 Mill Levies

City of Lawrence	26.358
Douglas County	30.013
School District	57.804
State Levy	1.500
Total	115.675

Tax Assessment Rates

Industrial/Commercial	25.0%
Machinery & Equipment	25.0%
Residential Property	11.5%

2007 City

Assessed Valuation

Real Property	783,604,390
Personal Property	48,783,695
State Assessed	21,163,388
Total	853,551,473

Sales Tax

State of Kansas	5.3%
City of Lawrence	1.0%
Douglas County	1.0%
Total	7.3%

Crime

Crime Indices (per 1000)

Violent Crime Index	4
Property Crime Index	47.5
Total Crime Index	51.5

City Services (2007 Est.)

Building Permits

Single Family	200
Duplex	75
Multi-Family	20

Fire / Medical

Stations	5
Numbers of Calls	9,080
Staff	146
Number of Inspections	6,785
Fire Insurance Rating	2

Parks & Recreation

Recreation Centers	6
Parks	52
Park Acreage	3,501
Public Pools	4
Public Tennis Courts	18
Trails (miles)	70

Police

Stations	2
Police Officers	141
Patrol Units	35
Calls for Service	125,000

Sanitary Sewer

Plants	1
Miles of sewers	421
Service connections	31,000
Avg daily treatment	12.5 MGD
Pump stations	35

Water System

Plants	2
Miles of water mains	425
Service connections	31,142
Fire hydrants	3,275

Services Provided By Other Governmental Units

Education

Unified School District #497
University of Kansas
Haskell Indian Nations Univ.

Hospital

Lawrence Memorial Hospital

Library Services

Lawrence Public Library

Public Employment Agency

Kansas Job Service Center

Public Housing

Lawrence-Douglas County
Housing Authority

Transportation

Location

Lawrence is located 37 miles west of Kansas City, Missouri, and 25 miles east of Topeka. It enjoys access to Interstate 70 and Hwy 10, and is located a short distance from Hwy 435, Hwy 635 and Interstate 35.

Alternative Means of Transportation:

Lawrence Transit System,
Greyhound, Trailways, Bus 62,
Lawrence Bus Company

Mean Travel Time to Work

18.4 minutes

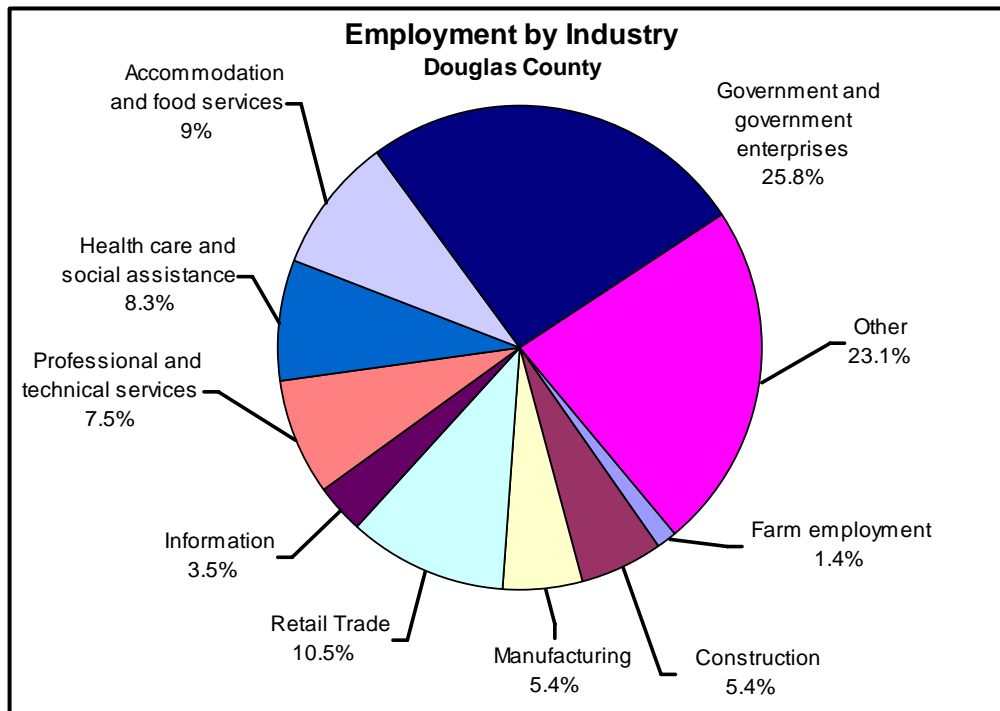
LAWRENCE AT A GLANCE*

Employment Statistics

<u>Unemployment Rate</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
City of Lawrence	3.1%	3.5%	4.2%	5.1%	4.4%	4.3%	3.7%
State of Kansas	3.7%	4.3%	5.6%	5.4%	5.5%	5.1%	4.5%
United States	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%

Sources: Kansas Department of Labor and U.S. Bureau of Labor Statistics

<u>Top 10 Largest Employers</u>	<u>Product</u>	<u>Employees</u>
The University of Kansas	Education	9,396
Vangent	Information Services	1,800
Lawrence Public Schools	Education	1,710
City of Lawrence	City Government Services	1,250
Lawrence Memorial Hospital	Health Services	1,200
Hallmark Cards, Inc.	Social Expression Products	760
The World Company	Information Services	600
Amarr Garage Doors	Manufacturing	588
K-Mart Distribution Center	Distribution	452
DCCCA Center	Health Services	425



Income Statistics (2005 American Community Survey, US Census Bureau)

<u>Personal Income per Capita</u>	<u>Median Household Income</u>	<u>Median Family Income</u>
\$24,061	\$35,989	\$55,537

Budgetary Policies and Procedures

THE BUDGET DEVELOPMENT PROCESS

Early each year, each department submits a budget request including payroll projections, capital outlay requests, and program improvement decision packages.

A number of study sessions are held throughout the year with city staff and the City Commissioners to discuss various elements of the budget. A goal setting session is held, giving the Commissioners an opportunity to determine priorities for the budget year. Staff in the various departments can then work toward accomplish of those goals through their daily operations. The City Commission goals can be found beginning on page ix of this document.

Other sessions are held to discuss the multi-year Capital Improvement Plan, to review Debt, and to provide the City Manager and staff with direction for allocation to contractual agencies [see pages B- 32 (general overhead), C-1 through C-3 (Guest Tax), G-1 through G-3 (Special Alcohol)].

The City Commission holds budget conferences with each department. The conferences provide the Commissioners the opportunity to review the requests with department staff, learn more about program improvement packages, and ask questions about the issues presented by department staff in their budget proposals.

The first opportunity for public comment is in June. Another study session is held to review the Multi-year CIP Budget (see pages P-1 through P-12 for the Capital Improvement Budget) and to allow the Commissioners to provide additional direction to staff.

The City Manager then prepares a recommended budget that is reviewed and revised by the Commissioners. A summary is published in the Lawrence Journal World and the recommended budget is available on the City's website.

A second opportunity for public comment is held in early August. A final budget is then adopted by the City Commission and filed with the County Clerk in late August.

The budget is then formatted into this printed document, reproduced and made available for the public. In addition to dollar amounts, this document contains narrative information on the purpose and mission, the accomplishments, goals and objectives, and performance indicators of each department and division.

STATE STATUTES RELATED TO THE BUDGET

Kansas law prescribes the policies and procedures by which the City prepares its annual budget. The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. The annual budget contains an itemized estimate of the anticipated revenue and the proposed expenditures necessary to meet the City's financial needs, detailed by program and object of expenditures. The annual budget must be balanced so that total resources equal obligations. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts not disbursed are carried over as a designation of fund balance for the following year.

ANNUAL OPERATING BUDGETS REQUIRED FOR CERTAIN FUNDS

Kansas Statutes (K.S.A. § 79-2927 et seq.) require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute), Debt Service Funds, and certain Enterprise Funds.

A legal annual operating budget is not required for the Capital Projects Fund or Trust Funds and the following Special Revenue Funds:

Airport Improvement Fund
Outside Agency Fund

Capital Improvement Reserve Fund
Wee Folks Scholarship Fund

Equipment Reserve Fund
 Fair Housing Assistance Fund
 Guest Tax Reserve Fund
 Community Development Fund
 Liability Reserve Fund
 Rehabilitation Escrow Fund
 Sales Tax Reserve Fund

Home Program Fund
 Law Enforcement Grant Fund
 Transportation Planning Fund
 Worker's Compensation Reserve Fund
 Law Enforcement Trust Fund
 Summer Youth Fund

BUDGET CALENDAR

The state statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- Preparation of budget for the succeeding calendar year on or before August 1 of each year.
- Publication of proposed budget and notice of public hearing on or before August 5 of each year.
- Public hearing on or before August 15 of each year, but at least ten days after public notice.
- Adoption of final budget on or before August 25 of each year.

In addition to state statutes, an annual budget calendar is developed according to an administrative policy. The 2008 Budget Calendar can be found below.

2008 Budget Process Calendar

<u>Friday, March 2</u>	Budget materials and forms mailed to Contractual Agencies (non-alcohol funds)
<u>Wednesday, March 7</u>	RFP forms mailed to Contractual Agencies (alcohol fund)
<u>Friday, March 9</u>	Budget materials available on-line to Department Directors
<u>Friday, April 13</u>	<u>Department Budget Information Submitted to Assistant City Mgr.</u>
<u>Tuesday, April 24</u>	<u>City Commission Study Session (4:00 – 6:00 p.m.)</u>
<u>Wednesday, May 2</u>	<u>Requests Due from Contractual Agencies (alcohol & non-alcohol funds)</u>
<u>Tuesday, May 22</u>	<u>City Commission Study session – Joint mtg. w/County (4:30-6:00 p.m.)</u>
<u>Tuesday, May 29</u>	Receive recommendations from Alcohol Advisory Board re: agency awards
<u>Monday, June 4</u>	<u>Submittals Due for City Commission Initiated Program Improvements</u>
<u>June 4-5</u>	<u>Commissioners meet with Department Heads re: Major Issues:</u>
	Library Monday 6/4 3:00 p.m.
	Administrative Services Monday 6/4 3:20 p.m.
	Planning/Dev. Services Monday 6/4 3:40 p.m.
	Legal Services Monday 6/4 4:00 p.m.
	Public Transit Monday 6/4 4:20 p.m.
	Fire/Medical Monday 6/4 4:40 p.m.
	Finance Monday 6/4 5:00 p.m.
	Public Works Tuesday 6/5 9:00 a.m.
	Public Health Tuesday 6/5 9:20 a.m.
	Police Tuesday 6/5 9:40 a.m.
	Information Systems Tuesday 6/5 10:00 a.m.
	Parks & Recreation Tuesday 6/5 10:20 a.m.
	Utilities Tuesday 6/5 10:40 a.m.
	City Manager's Office Tuesday 6/5 11:00 a.m.
<u>Tuesday, June 5</u>	<u>City Commission meeting (11:30 a.m. – no evening CC meeting this date)</u>
<u>June 11-12</u>	<u>City Goals Discussion Session (6/11 3:00-7:00 p.m.; 6/12 3:30-6:00 p.m.)</u>
<u>Tuesday, June 19</u>	<u>City Commission Study Session (4:30-6:00 p.m.) @ City Hall</u>
	· <u>Provide Direction on Operating Budget</u>
	· <u>Review 2008 CIP Budget</u>
<u>Friday, July 6</u>	<u>Budget Distributed to City Commission and posted on website</u>
<u>Monday, July 16</u>	<u>City Commission Study Session (8:30 – 10:30 a.m.)</u>
	· <u>City Manager's Recommended Budget</u>

<u>Tuesday, July 24</u>	City Commission authorizes publication of Budget
<u>Wednesday July 25 – Noon</u>	Budget material provided to Journal World for publication 07/27/07
<u>Tuesday, August 7</u>	Public Hearing on Budget – Budget Ordinance first reading
<u>Tuesday, August 14</u>	Budget adopted by City Commission – Budget Ordinance second reading
<u>Wednesday, August 15</u>	Budget filed with County Clerk
<u>Monday, September 17</u>	Adopted Budget posted on the web
<u>Friday, November 2</u>	Budget submitted to GFOA for review

MAKING CHANGES TO THE BUDGET

The state statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time.

The statutes permit management to transfer budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds (the legal level of budgetary control). Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

BASIS OF ACCOUNTING

All governmental and fiduciary funds are reported using the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available to pay current liabilities in a particular period. Expenditures are recognized when the related liability is current (the encumbrance method of accounting.) Interest on unmatured general long-term debt is recognized when due.

The enterprise funds are reported on the accrual basis of accounting.

BASIS OF BUDGETING

The city budgets for governmental funds, which include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Fund, based on the modified accrual basis of accounting. Under this method, revenues (income) are recognized in the period they become measurable and available to finance expenditures of the period. Expenditures (expenses) are recorded when incurred with the exception of principal and interest on long term debt, which are recorded when due.

Exceptions to the modified accrual basis of accounting are as follows:

- encumbrances are treated as expenditures in the year they are encumbered, not when the expenditure occurs.

The budgets for all proprietary funds, which include Enterprise Funds and Internal Service Funds, are prepared using the accrual basis of accounting, with exceptions listed below. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

- Capital outlay is budgeted as an expenditure in the year purchased.
- Depreciation is not budgeted.
- Encumbrances are treated as expenditures in the year they are encumbered, not when the expense occurs.
- Grants obtained for the construction of assets are considered to be revenues, not capital contributions.
- Gains or losses on the early retirement of debt are considered to increase or decrease the funds available in the year in which they occur and are not capitalized and amortized over the life of the bonds.

Operating expenditures are controlled at the fund level and may not exceed appropriations at that level. Capital project expenditures are controlled at the fund, department and project levels and may not exceed appropriations at any of those levels. Budget transfers within a department may be made with administrative approval provided that the transfer is within the same fund. Increases in total appropriations require City Council approval by ordinance.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the City.

CITY COMMISSION GOALS, ADMINISTRATIVE POLICIES, DEPARTMENT POLICIES, AND OTHER PLANS USED TO DEVELOP THE BUDGET

City Commission Goals

The City Commission has established a set of strategic goals to guide the work of City Staff. The departments use these goals, as well as their own goals, to prepare their budget each year. The goals of the various departments can be found throughout this budget document. The City Commission Goals are provided below.

ECONOMIC DEVELOPMENT: Promoting the economic development of Lawrence to provide varied work and business opportunities.

- Key Objectives:** Identify industrial sites and a process to develop them.
Use the Southeast Area Plan to create an employment zone.
Move toward acquisition of the Farmland property.
- Other Objectives:** Expand the tax base through growth of existing and new businesses.
Develop incentives in addition to tax abatements (add to our “tool box”).
Identify sources of funding for a dedicated economic development fund.
Develop a common understanding of what economic development is.
Have a city staff person focused solely on economic development.

PLANNED GROWTH: Encouraging growth that protects our environment, neighborhoods, and cultural features while benefiting all of our citizens.

- Key Objectives:** Conclude the successful adoption of rural development standards.
Resolve the public improvement financing method.
Agree to stay within service area 1 in the urban growth area; be proactive about where growth will be and avoid spot zoning.
Amend codes to allow for traditional neighborhood development (TND).
- Other Objectives:** Initiate a community visioning process to encourage community building.
Ensure that the city leads the development process; create a new model for this.
Expand meetings with the county, the school district, and KU.
Work on more cooperative projects with the county; develop a model for growth.
Initiate a discussion within the community about a new model of growth and its comprehensive plans. Educate the community about the differences.

COMMUNITY BUILDING: Creating social capital and celebrating our heritage.

- Key Objectives:** Get the Carnegie Library building active.
Encourage the viability of the Farmers Market, including improving the facilities.
- Other Objectives:** Have more events downtown.
Ensure the accountability of the police department.
Determine what we want to do about the Library expansion and how much it will cost.
Encourage KU and Haskell to be more a part of the community and the community more a part of KU and Haskell (e.g., Homecoming Parade downtown, more partnerships).
Develop a comprehensive plan for services to the homeless.
Secure adequate funding for after-school programs.
Keep the focus on Lawrence for the Heritage Area.

ENVIRONMENT ISSUES: Integrating the environment into our decisions as we work towards a sustainable city.

- Key Objectives:** Move toward a watershed storm water policy.
- Other Objectives:** Evaluate and adopt an energy code.
Adopt an environmental chapter for Horizon 2020.
Require LEED standards for public buildings.

Continue community connectivity through bike paths, trails, and rail to trails.
Encourage neighborhood planning that emphasizes non-automobile access to schools and shopping.
Transition to pesticide-free parks and buildings.

NEIGHBORHOOD QUALITY: Improving the livability of all Lawrence neighborhoods.

- Key Objectives:** Develop affordable housing through the Land Trust.
Institutionalize area planning.
- Other Objectives:** Coordinate with the school district regarding school sites and future uses of schools.
Find ways to lessen the impact of student housing on neighborhoods.
Explore private/public partnerships to provide affordable housing.
Identify key pedestrian routes and enforce snow removal of them.
Bring in the Neighborhood Re-investment Corporation (NRC).
Inventory sidewalks in neighborhoods and bring them up to standard.

TRANSPORTATION: Improving access for all citizens.

- Key Objectives:** Build community consensus for a regional transportation plan that includes resolution of the SLT, Highway 59, and Eastern By-pass.
- Other Objectives:** Continue work on street development standards, including alternatives to street widths.
Bring the "T" and KU on Wheels into better alignment.
Initiate a commuter bus service to Johnson County.
Investigate the possibility of a pedestrian bridge across the Kansas River.
Create a plan to increase funding for KDOT projects that benefit community.
Continue to educate the community about access management. Develop consensus and policies.
Model bio-diesel and other renewable sources in city's transportation equipment.
Integrate the bike plan into the Capital Improvements Plan (CIP).
Work toward the central coordination of all street lights.

DOWNTOWN DEVELOPMENT: Protecting the integrity of downtown while maintaining it as a unique community resource.

- Key Objectives:** Ensure that the downtown is clean and inviting (e.g., identify trees that will keep downtown cleaner).
Redevelop the library as an anchor for multi-use development for downtown.
Study the topic of alcohol issues and sidewalk dining.
- Other Objectives:** Implement "adopt a planter" program.
Work with a KU class to develop a new downtown design in order to freshen the look of downtown.
Consider creative responses to barriers related to the Harris project.

SERVICE DELIVERY: Provide excellent City services consistent with resources available.

- Key Objectives:** Streamline the process of working with the Business Retention Task Force, so that there is coordination among departments and the process is clear and consistent.
Adopt a performance management system.
Implement new building codes.
- Other Objectives:** Purchase project management software for the planning department.
Improve the CIP process – set priorities and integrate the plan with goals.
Integrate fire station operations into the budget.
Explore the possibility of increased staff support or salary for city commissioners.

Administrative Policies and Department Policies

The Administrative Policies of the City that guide the development of the budget are listed below. The policies in their entirety are provided beginning on page xiv of this section.

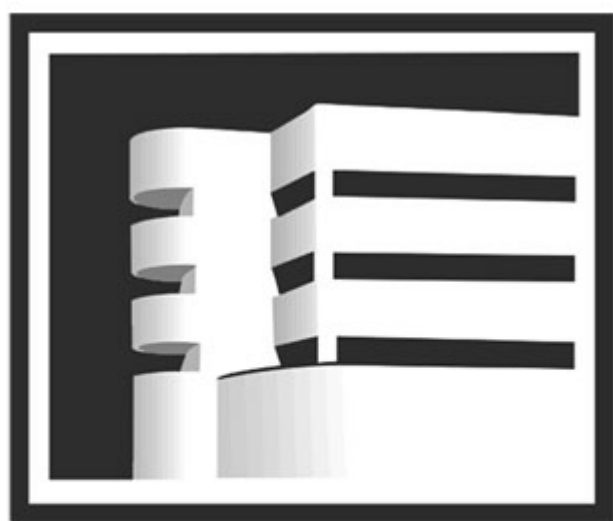
- Investment and Cash Management
- Midyear Fund Request
- Governmental Accounting
- Debt Management
- General Fund Balance
- Debt Issuance Guidelines
- Allocation of Transient Guest Tax

In addition to written administrative policies, there are a number of departmental procedures and practices that impact the budget. For instance, there are unwritten policies for the replacement of city vehicles as well as computer hardware.

Other Plans

Horizon 2020 is the City's Long Range Comprehensive Plan. It is used, along with other long range and strategic plans to the various city departments, to forecast future staffing, equipment, and facility needs and the costs associated with them based on growth and population projections. This allows city staff to estimate the revenue that will be needed to meet these needs, to what amount the issuance of debt will be necessary, if fee and rate increases will be required, etc.

Departments or Divisions with Long Range Plans, Master Plans, or other strategic plans include Water and Wastewater, Parks and Recreation, Fire Medical, and Storm Water.



City of
Lawrence

BUDGET POLICIES

CITY OF LAWRENCE

INVESTMENT AND CASH MANAGEMENT POLICY

1.0 Scope

This policy applies to the cash management and investment activities of the City of Lawrence, Kansas, except for the debt service funds, reserve funds and other financial assets held by various fiscal agents and trustees as provided by the appropriate bond ordinance shall not be subject to this policy but shall be administered according to the requirements of the respective Ordinances. The financial assets of all other funds shall be administered in accordance with the provisions of this policy.

2.0 Authority

Responsibility for the management of the City's investment portfolio is delegated to the Director of Finance by the City Manager. The Director of Finance hereby establishes written procedures and policies for the operation of the cash management and investment program. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

3.0 Objectives

The cash investments of the City of Lawrence shall be undertaken in a manner that seeks to maximize investment income while ensuring the preservation of capital in the portfolio. To attain this objective, diversification is required so that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. The investment portfolio shall be designed to attain at a minimum, a market-average rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio.

4.0 Prudence

The standard of prudence to be used by investment officials shall be the "prudent person", which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived" and shall be applied in the context of managing the entire portfolio.

Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

5.0 Legal Authority and Limitations on Investment Instruments

All investments purchased under this policy shall be governed by K.S.A. 12-1675, et. seq. and all revisions thereto, as may be made by the Kansas Legislature. Below is a summary of acceptable investments under the current law:

5.1 Collateralized Public Deposits (Negotiable Certificates of Deposit) -- Instruments issued by banks or savings & loans that state specified sums have been deposited for specified periods of time and at specified rates of interest. Certificates of deposit are required to be backed by acceptable collateral securities as dictated by Kansas Statutes.

CITY OF LAWRENCE

INVESTMENT AND CASH MANAGEMENT POLICY

5.2 Repurchases Agreements--Contractual agreements between the City and commercial banks, trust companies, state or federally chartered savings and loan associations of federally chartered savings banks. The repurchase agreement (repo) issuer received cash and, in turn, provides securities to the City as collateral for the cash. There exists a contractual agreement for the City to resell the securities back to the issuer on a specific future date, at the original purchase price, plus a negotiated interest payment.

5.3 U. S. Treasury bills or notes--These obligations must mature within six months from date of purchase and are guaranteed as to principal by the United States government.

5.4 Temporary notes of the City of Lawrence.

5.5 Commercial bank savings accounts.

Other types of investments may be added to this list as changes to the statutes governing such investments are revised.

6.0 Contracts with Financial Institutions

The City of Lawrence may invest funds with depositories having offices located in the City of Lawrence as provided by K.S.A. 9-1401. All depositories of the City of Lawrence shall execute a contract bi-annually with the City of Lawrence which shall designate the requirements of serving as a depository for the City, including collateralization of City funds invested at such depository and the related safekeeping requirements of the pledged securities. The City shall have a separate contract with the "operating bank" which will execute a contract once every three years in accordance with the practice of bidding banking services every three years.

6.1 Safekeeping of Securities--Collateral for certificates of deposits and repurchase agreements will be registered in the City's name. The Finance Director will hold all safekeeping receipts of pledged securities used as collateral for certificates of deposits and repurchase agreements. A third party institution will hold pledged securities in trust on behalf of the City's financial institution.

Safekeeping receipts of pledged securities may be "Faxed" to the City in order to accommodate timely and legal investment transactions. The financial institution will mail the original safekeeping receipt of pledged securities on the day the facsimile is sent.

6.2 Collateralization--The City requires full collateralization of all City investments other than obligations of the United State government as stated in the State statute. The City will not allow the use of FDIC coverage as part of the calculation of full collateralization. Peak period agreements permitted under K.S.A. 9-1403 as amended, will not be accepted by the City and are not included as part of the depository contracts with the financial institutions.

The City will accept as collateral for certificates of deposit securities as listed in K.S.A. 9-1403. Collateral underlying repurchase agreements is limited to obligations of the U.S. government and its agencies.

The Finance Director will weekly monitor the adequacy of collateralization. The City requires monthly reports with market values of pledged securities from all financial institutions with which the City has certificates of deposits or repurchase agreements.

CITY OF LAWRENCE

INVESTMENT AND CASH MANAGEMENT POLICY

7.0 Investment Liquidity

The City's demand for cash shall be projected using reliable cash forecasting techniques. To ensure liquidity, the appropriate maturity date and investment option available will be chosen.

7.1 Repurchase agreements--The maximum maturity for repurchase agreements shall be 91 days. Repurchase agreements will normally be used when Certificates of Deposits for less than 91 days are not used, or when the rates offered on the repurchase agreements are greater than those offered on 91 day CDs.

7.2 General City Funds--The maximum maturity for City investments shall be one year. The Investment Review Committee will monitor the maturity level and recommend changes as appropriate.

7.3 Bond & Interest Fund--No investment shall have a maturity exceeding the next principal and /or interest payment date unless the obligation is fully funded.

8.0 Investment Return Objectives

Consistent with State law, the City shall seek to optimize return on investments within the constraints of this policy.

9.0 Bidding Procedures

Investment bids will be taken by the Director of Finance or person designated by the Director of Finance at times when investments of idle funds would be in the best interest of the City or as required by federal regulations regarding arbitrage rebate on bond proceeds. Such bids requests will be made orally and confirmed in writing with the investment instrument and related collateral being forwarded to the City no later than 24 hours after bids are taken.

10.0 Investment Limitation Per Institution

In order to protect the City from the failure of any one financial institution, the City shall not invest more than 30% of idle funds with any one institution. The 30% limitation does not apply to U.S. Treasury obligations held in safekeeping by an institution on behalf of the City. These obligations are backed by the U.S. Government and do not require collateral as described in section 6.0(2). The 30% limitation shall be determined prior to the bids. If an institution goes over the 30% limitation after the bids have been awarded, no further bids will be accepted from the financial institution until sufficient maturities have occurred to reduce their share of the portfolio to under 30%.

11.0 Investment Review Committee

The City Manager shall appoint an investment review committee. The Committee shall consist of one person from the City Manager's Office, one person from the Finance Department not directly involved with the day to day investing of public funds, and the City Clerk. This Committee shall meet at least quarterly to review the investment reports from the Finance Department and to review earnings of idle funds. The Committee shall make a report to the City Manager within fourteen days after each meeting. Any irresponsible or illegal acts shall be reported immediately and confidentially to the City Manager.

CITY OF LAWRENCE

INVESTMENT AND CASH MANAGEMENT POLICY

12.0 Daily Cash Management Practices and Policies

It is the policy of the City of Lawrence Finance Department that all departments collecting cash receipts, whether in cash or other forms of payment, must turn in such receipts to the Finance Department on a daily basis together with records required to verify the accuracy of such collections. No receipts will be held overnight at any location for any reason. All receipts shall be deposited daily by the Department of Finance. Investment of any idle funds will be made in accordance with section 5.0 of this policy. Any violation of this section of this policy by any employee of the City may result in disciplinary action.

13.0 Separate Provisions of Policy and Conflicts with Kansas Laws

The above policies shall remain in full force and effect until revoked by the City Commission. If, after adoption of this policy, there is any conflict of this policy with Kansas laws and/or statutes current law shall dictate.

CITY OF LAWRENCE

GOVERNMENTAL ACCOUNTING POLICY

1.0 **Policy**

The City of Lawrence has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. Financial statements are presented after applying memorandum adjustments, where applicable, to record accrued revenue, inventories, property and equipment and related depreciation resulting in financial statements presented on a modified accrual or accrual basis of accounting, as appropriate.

Accounting and Reporting Capabilities:

A governmental system, such as the City of Lawrence, is charged with the duties of reporting and fully disclosing its financial position and financial results of operation in conformity with generally accepted accounting principles. Further, such an entity must demonstrate compliance with finance-related legal and contractual provisions within the system's financial activities.

2.0 **Fund Accounting Systems**

The City of Lawrence is organized and operates on a fund basis. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restriction, or limitations.

The following types of funds comprise the financial activities of the City:

1. Governmental Funds

- A. General Fund - to account for all unrestricted resources except those required to be accounted for in another fund.
- B. Special Revenue Funds - to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.
- C. Capital Project Funds - to account for financial resources segregated for the acquisition of major capital facilities (other than those financed by Enterprise Funds).
- D. Debt Service Funds - to account for the accumulation of resources for and the payment of, interest and principal and related costs, on general long-term debt, and the financing of special assessments which are general obligations of the City.

2. Proprietary Funds

- A. Enterprise Funds - to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes.
- B. Internal Service Funds - to account for the financing of goods and services provided by one department to other departments of the City on a cost reimbursement basis.

CITY OF LAWRENCE

GOVERNMENTAL ACCOUNTING POLICY

3.0 **Basis of Accounting**

All governmental and fiduciary funds are reported on the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become susceptible to accrual, that is when they become both measurable and available to finance expenditures of the fiscal period. Expenditures are recognized when the related liability is current (the encumbrance method of accounting). Interest on unmatured general long-term debt is recognized when due.

The enterprise funds are reported on the accrual basis of accounting.

4.0 **General Long-Term Account Group**

This account, which is not a fund, provides a place to record long-term debt of the City. Long-term debt for proprietary funds are recorded in those funds and not in the general long-term debt account group.

5.0 **General Fixed Assets Account Group**

This account group is not a fund. It is an account where all fixed assets of the City except those belonging to the proprietary funds are recorded. Proprietary fund fixed assets are recorded in those funds.

CITY OF LAWRENCE

MID- YEAR FUNDING REQUEST POLICY

1.0 **Policy:**

To establish policy and guidelines for the consideration of funding requests from outside agencies during the year after the completion of the annual budget process.

2.0 **Guidelines:**

Once the budget process is completed for each fiscal year, non-budgeted funding requests shall be handled as follows. Outside agencies requesting funding from the City of Lawrence (that falls outside the schedule established for the annual budget process) shall describe in their application for funding how the project, program, etc. accomplishes the following:

- Fills an existing gap in City services.
- Meets a City Commission or community goal.
- Provides for a need in the community that is otherwise unmet.
- Helps leverage outside funds.

3.0 **Assessment Methods:**

In considering funding requests outside the annual budget process, the City Commission will utilize the following guidelines in the decision-making process:

- Is the request a high enough priority to justify the allocation of contingency funds?
- What are the long-range implications (annual request? related costs? etc.)

CITY OF LAWRENCE

DEBT MANAGEMENT POLICY

1.0 **Purpose**

The Debt Management Policy Statement sets forth comprehensive guidelines for the financing of capital expenditures.

2.0 **Policy**

It is the objective of the policies that (1) the City obtain financing only when desirable, (2) the process for identifying the timing and amount of debt financing be as efficient as possible and (3) the most favorable interest rate and other related costs be obtained.

Debt financing, to include general obligation bonds, special assessment bonds, revenue bonds, temporary notes, lease/purchase agreements, and other City obligations permitted to be issued or incurred under Kansas law, shall only be used to purchase capital assets that will not be acquired from current resources. The useful life of the asset or project shall exceed the payout schedule of any debt the City assumes. This allows for a closer match between those who benefit from the asset and those that pay for it.

To enhance creditworthiness and prudent financial management, the City is committed to systematic capital planning, intergovernmental cooperation and coordination, and long-term financial planning. Evidence of this commitment to capital planning will be demonstrated through adoption and periodic adjustment of the City's Capital Improvement Plan and the annual adoption of a multi-year Capital Improvement Budget.

3.0 **Procedure**

3.1 **RESPONSIBILITY FOR DEBT MANAGEMENT**

The primary responsibility for making debt-financing recommendations rests with the Director of Finance. In developing such recommendations, the Finance Director shall be assisted by other City staff. The responsibilities of City staff shall be to:

- Consider the need for debt financing and assess progress on the current Capital Improvement Budget and any other program/improvement deemed necessary by the City Manager;
- Test adherence to this policy statement and to review applicable debt ratios listed in the Debt Issuance Guidelines,
- Review changes in federal and state legislation that affect the City's ability to issue debt and report such findings to the City Manager as appropriate;
- Review annually the provisions of ordinances authorizing issuance of general obligation bonds of the City;
- Review the opportunities for refinancing current debt; and,
- Recommend services by a financial advisor, bond trustees, bond counsel, paying agents and other debt financing service providers when appropriate.

In developing financing recommendations, the City staff shall consider:

- Options for interim financing including short term and inter-fund borrowing, taking into consideration federal and state reimbursements;
- Effects of proposed actions on the tax rate and user charges;
- Trends in bond markets structures;
- Trends in interest rates; and,
- Other factors as deemed appropriate.

CITY OF LAWRENCE

DEBT MANAGEMENT POLICY

3.2 **USE OF DEBT FINANCING**

Debt financing will not be considered appropriate for any recurring purpose such as current operating and maintenance expenditures. The City will use debt financing only for one-time capital improvement projects and unusual equipment purchases under the following circumstances:

- The project is included in the City's capital improvement budget and is in conformance with the City's general plan;
- The project is the result of growth-related activities within the community that require unanticipated and unplanned infrastructure or capital improvements by the City;
- The project's useful life, or the projected service life of the equipment, will be equal to or exceed the term of the financing;
- There are revenues sufficient to service the debt, whether from future property taxes, user fees, or other specified and reserved resources, debt supported by user fees, special assessments or special charges shall be preferred,
- The debt shall be primarily used to finance capital projects with a relatively long life, typically ten years or longer.
- The equipment is an item that is purchased infrequently, has an expected useful life of at least five years, and costs in excess of \$100,000.

3.3 **STRUCTURE AND TERM OF DEBT FINANCING**

Debt will be structured to match projected cash flows, minimize the impact on future property tax levies, and maintain a relatively rapid payment of principal. As a benchmark, the City shall strive to repay at least 50% of the initial principal amount within ten years.

General Obligation Bonds

The City shall use an objective analytical approach to determine whether it desires to issue new general obligation bonds. Generally, this process will compare ratios of key economic data. The goal will be for the City to maintain or enhance its existing credit rating.

These ratios shall include, at a minimum, debt per capita, debt as a percent of statutory debt limit, debt as a percent of appraised valuation, debt service payments as a percent of governmental expenditures, and the level of overlapping net debt of all local taxing jurisdictions. A set of ratios shall be adopted and itemized in the City's Debt Issuance Guidelines.

The decision on whether or not to issue new general obligation bonds shall, in part, be based on (a) costs and benefits, (b) the current conditions of the municipal bond market, and (c) the City's ability to issue new general obligation bonds as determined by the aforementioned benchmarks.

Revenue Bonds

For the City to issue new revenue bonds, projected annual revenues as defined by the ordinance authorizing such issuance, shall be a minimum of 125% of the issue's average annual revenue bond service or at a higher amount if required by the bond indentures. If necessary, annual adjustments to the City's rate structures will be considered in order to maintain the required coverage factor. Revenue bonds will be the preferred financing option for enterprise funds.

Special Assessment Bonds

The City shall maintain a watchful attitude over the issuance of special assessment bonds for benefit district improvements. The City's share of any benefit district project may not exceed more than 95% of any proposed costs related to a benefit district. The developer shall be required to deposit 25% of the costs allocated to the benefit district prior to authorization. In most cases, the debt will have a maximum term of ten years, however, a longer term may be allowed provided it does not exceed the life of the improvements included in the benefit district. The benefit district will be assigned costs such as administration, engineering, financing and legal associated with the formation of the district and issuance of any debt.

CITY OF LAWRENCE

DEBT MANAGEMENT POLICY

Debt Issuance With Intergovernmental Agencies

The City will typically not use of its debt capacity for projects by entities or other special purpose units of government that have the ability to issue tax exempt debt. The City's issuance of debt will be made only (1) after the prior commitment of the full assets and resources of the authority to debt service; (2) if project revenues, or development authority revenues pledged to debt service, are at least 115% of debt service; (3) if debt service reserves provided by the authority's own resources are equal to at least six months debt service; and, (4) if all other viable means financing have been examined. The City will also enter into arrangements with other governmental entities where a portion of the project costs will be reimbursed by the other government. An agreement as to how the project costs will be allocated and reimbursements made must be approved by the governing bodies.

Structure of Debt Obligations

The City normally shall issue bonds with an average life of 10 years or less for general obligation and special assessment bonds and 10-20 years for revenue bonds. The typical structure of general obligation bonds will result in even principal and interest payments over the term of the debt. There shall be no "balloon" bond repayment schedules, which consist of low annual payments and one large payment of the balance due at the end of the term. There shall always be at least interest paid in the first fiscal year after a bond sale. In cases where related revenues may not occur for several years, it may be desirable to capitalize the interest by increasing the size of the issue and deferring the principal payments so that only interest is paid on the debt for the first few years.

Call Provisions

Call provisions for bond issues will be evaluated based upon current market conditions. All bonds shall be callable only at par.

Variable Rate Long-Term Obligations

The City may choose to issue bonds that pay a rate of interest that varies according to pre-determined formula or results from a periodic remarketing of the securities, consistent with state law and covenants of pre-existing bonds, and depending on market conditions.

3.4 **DEBT ADMINISTRATION AND FINANCING**

Capital Improvement Budget

A Capital Improvement Budget shall be prepared and submitted to the City Commission annually. The budget shall provide a list of projects and the means of financing. The budget should cover a five-year period of time. The projects included in the budget should be part of the City's Capital Improvement Plan. Projects must be in either the Capital Improvement Budget or Plan to be authorized.

Bond Fund

Generally, payment of general obligation bonds and special assessment bonds shall be from the City's Bond & Interest Fund. However, in situations where General Obligation bonds are to be paid from user fees or sales taxes, bond payments should be made from the fund that receives the revenue. The minimum fund balance in the Bond & Interest Fund will be maintained at a level equal to or greater than 50% of the total principal and interest payable from that Fund for the upcoming year.

Reserve Funds

Adequate operating reserves are important to insure the functions of the City during economic downturns. The City shall budget a contingency reserve in the General Fund of no less than \$150,000. The City will maintain working capital in an enterprise fund sufficient to finance 120 days of operations, if the fund supports debt payments. In addition, all reserves specified by bond indentures must be maintained. The Equipment Reserve Fund will be funded sufficiently to ensure that adequate funds are available to purchase replacement equipment on a timely basis.

CITY OF LAWRENCE

DEBT MANAGEMENT POLICY

Finance Department

It shall be the responsibility of the Finance Department to prepare the Preliminary and final Official Statements. The City Clerk is responsible for collecting and maintaining all supporting documentation such as minutes of the City Commission meetings and relevant resolutions and ordinances. In the case of general obligation bonds, an estimate of the mill levy required to pay off the debt should be provided to the City Commission. The department will also be responsible following applicable secondary disclosure requirements.

Investments

The bond proceeds will be invested in accordance with the City's investment policy. Adherence to the guidelines on arbitrage shall be followed, which at times, may require that the investment yield be restricted. In most cases, the investment will be selected to maximize interest with the assumption that the City will meet the IRS spend down requirement that allows for an exemption from arbitrage calculations.

Bond Counsel

The City will utilize external bond counsel for all debt issues. All debt issued by the City will include a written opinion by Bond Counsel affirming that the City is authorized to issue the debt, stating that the City has met all Federal and State constitutional and statutory requirements necessary for issuance, and determining the debt's federal income tax status. The City's Bond Counsel will be selected on a competitive basis.

Underwriter's Counsel

City payments for Underwriters Counsel will be authorized for negotiated sales by the Department of Finance on a case-by-case basis depending on the nature and complexity of the transaction and the needs expressed by the underwriters.

Financial Advisor

The City may utilize an external financial advisor. The utilization of the financial advisor for debt issuance will be at the discretion of the Director of Finance on a case-by-case basis. For each City bond sale, the financial advisor will provide the City with information on structure, pricing and underwriting fees for comparable sales by other issuers. The Financial Advisor will be selected on a competitive basis for a period not to exceed five years.

Temporary Notes

Use of short-term borrowing, such as temporary notes, will be undertaken until the final cost of the project is known or can be accurately projected. In some cases, projects might be funded with internal funds that will be reimbursed with bond funds at a future date.

Credit Enhancements

Credit enhancement (letters of credit, bond insurance, etc.) may be used if the costs of such enhancements will reduce the debt service payments on the bonds or if such an enhancement is necessary to market the bonds.

Competitive Sale of Debt

The City, as a matter of policy, shall seek to issue its temporary notes, general and revenue bond obligations through a competitive sale. In such instances where the City, through a competitive bidding for its bonds, deems the bids received as unsatisfactory or does not receive bids, it may, at the election of the City Commission, enter into negotiation for sale of the bonds. In cases where the circumstances of the bond issuance are complex or out of the ordinary, a negotiated sale may be recommended if allowed by State statute.

CITY OF LAWRENCE

DEBT MANAGEMENT POLICY

3.5 **REFUNDING OF DEBT**

Periodic reviews of all outstanding debt will be undertaken to determine refunding opportunities. Refunding will be considered (within federal tax law constraints) if and when there is a net economic benefit from the refunding or the refunding is needed in order to modernize covenants essential to operations and management or to restructure the payment of existing debt.

City staff and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a general rule, the present value savings of a particular refunding will exceed 3%.

Refunding issues that produce a net present value savings of less than 3% percent will be considered on a case-by-case basis. Refunding issues with negative savings will not be considered unless there is a compelling public policy objective.

3.6 **CONDUIT FINANCINGS**

The City may sponsor conduit financings in the form of Industrial Revenue Bonds for those activities (i.e., economic development, housing, health facilities, etc.) that have a general public purpose and are consistent with the City's overall service and policy objectives as determined by the City Commission.

All conduit financings must insulate the City completely from any credit risk or exposure and must first be approved by the City Manager before being submitted to the City Commission for consideration. The City should review the selection of the underwriter and bond counsel, require compliance with disclosure and arbitrage requirements, and establish minimum credit ratings acceptable for the conduit debt. Credit enhancement, such as insurance, may be required for certain issues.

3.7 **ARBITRAGE LIABILITY MANAGEMENT**

Federal arbitrage legislation is intended to discourage entities from issuing tax-exempt obligations unnecessarily. In compliance with the spirit of this legislation, the City will not issue obligations except for identifiable projects with good prospects of timely initiation. Temporary notes and subsequent general obligation bonds will be issued timely so that debt proceeds will be spent quickly.

Because of the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, the City will engage outside consultants to calculate potential arbitrage liability.

3.8 **CREDIT RATINGS**

Rating Agency Relationships

The Director of Finance shall be responsible for maintaining relationships with the rating agencies that assign ratings to the City's debt. This effort shall include providing periodic updates on the City's general financial condition along with coordinating meetings and presentations in conjunction with a new debt issuance.

Use of Rating Agencies

The City will obtain a rating from Moody's Investors Service. The Finance Director will recommend whether or not an additional rating shall be requested on a particular financing and which of the major rating agencies shall be asked to provide such a rating.

Rating Agency Presentations

Full disclosure of operations and open lines of communication shall be made to rating agencies used by the City. The Finance Director, with assistance of City staff, shall prepare the necessary materials and presentation to the rating agencies.

CITY OF LAWRENCE

DEBT MANAGEMENT POLICY

Financial Disclosure

The City is committed to full and complete financial disclosure, and to cooperating fully with rating agencies, institutional and individual investors, City departments and agencies, other levels of government, and the general public to share clear, comprehensible, and accurate financial information. The City is committed to meeting secondary disclosure requirements on a timely and comprehensive basis.

3.9 **STANDARDS**

Official statements accompanying debt issues, Comprehensive Annual Financial Reports, and continuous disclosure statements will meet (at a minimum), the standards articulated by the Government Accounting Standards Board (GASB), the National Federation of Municipal Analysts, and Generally Accepted Accounting Principles (GAAP). The Finance Director shall be responsible for ongoing disclosure to established national information repositories and for maintaining compliance with disclosure standards promulgated by state and national regulatory bodies.

DEBT MANAGEMENT POLICY APPENDIX

Terminology

Arbitrage. Arbitrage refers to the rebate amount due to the Internal Revenue Service where funds received from the issuance of tax-exempt debt have been invested and excess interest earnings have occurred.

General Obligation Bonds. Bonds backed by the full faith and credit of the City. The taxing power may be an unlimited ad valorem tax or a limited tax, usually on real estate and personal property. A special tax rate levied for the Bond & Interest Fund annually to pay for general obligation LTO service. Because it is secured by an unlimited tax levy, this structure has strong marketability and lower interest costs.

Revenue Bonds. Bonds secured by revenues generated by the facility from dedicated user fees. Planning for such issues generally are more complex because future costs and revenues directly affect each other. Credit enhancements (e.g., insurance or letter of credit) may be needed because of the limited source of LTO service payments that may be available in outlying years.

Special Assessment Bonds. Bonds issued to develop facilities and basic infrastructure for the benefit of properties within the assessment district. Assessments are levied on properties benefited by the project. The issuer's recourse for nonpayment is foreclosure and the remaining LTO becomes the City's direct obligation.

Temporary Notes. Notes are issued to provide temporary financing, to be repaid by long-term financing. This type of bridge financing has a maximum maturity of four years under Kansas law.

CITY OF LAWRENCE DEBT ISSUANCE GUIDELINES

The City of Lawrence adopts the following guidelines for the issuance of debt:

- Ratio of General Obligation Bonds Outstanding to Appraised Valuation will not exceed 2.2%
- Ratio of General Obligation Bonds and Temporary Notes Outstanding to the Statutory Debt Limit will not exceed 60%
- Ratio of Debt Service payments from the Bond and interest Fund will not exceed 15% of governmental expenditures
- Amount of General Obligation Bonds Outstanding per population will not exceed \$1,100
- Amount of overlapping General Obligation Bonds Outstanding per population will not exceed \$2,500
- Bond and Interest mill levy will not exceed 10 mills

The City will review and consider the following before any debt is issued:

- Adherence to the Capital Improvement Budget
- Adherence to the Capital Improvement Plan
- Impact on the mill levy
- Potential impact on other revenue sources such as increased property taxes and sales taxes

CITY OF LAWRENCE

GENERAL FUND BALANCE POLICY

1.0 **Purpose**

The purpose of establishing a policy on the unrestricted balance in the General Fund is to provide a guideline for budgeting decisions and to insure that adequate reserves are established to fund operations by providing sufficient working capital, protection against uncollected taxes, shortfalls from municipal revenue sources, and cutbacks in distributions from the state or federal government. The General Fund is the primary operating fund of the City for its non-utility related operations. In addition, the City of Lawrence desires to maintain its current debt rating. Rating agencies are concerned about a government's creditworthiness and the level of unreserved General Fund balance is part of their evaluation.

There is no formula for determining an appropriate fund balance. Items to consider include the timing of revenue collections, the local and national economic environment, the volatility of the major revenue sources, and the degree of protection desired to mitigate current and future financial risks. The City of Lawrence obtains a substantial portion of its revenue from sales taxes and franchise fees. Sales tax collections are derived from local retail sales. In Lawrence, these collections are very dependent upon both the local and national economies. The collection of franchise fees, particularly those based upon sales of electricity and natural gas, vary widely depending upon local weather conditions. As a result, the desired level of unreserved General Fund balance is higher than the minimum level designated by the Government Finance Officers Association recommended practice on the Appropriate Level of Unreserved Balance in the General Fund.

2.0 **Policy**

The City should budget for current year General Fund revenues to be sufficient to finance current year expenditures.

Due to the volatility of some of the major revenue sources, a minimum unreserved General Fund balance of 15% of actual expenditures is recommended.

To avoid a balance in excess of the level deemed sufficient for prudent fiscal management, a maximum unreserved General Fund balance of 30% of actual expenditures is recommended.

The unreserved General Fund balance does not include reservations of fund balance for the payment of encumbrances nor designations for purposes that are allowed under generally accepted accounting principles.

If the General Fund balance falls outside of the above parameters, budgeted revenues will be either greater or less than budgeted expenditures in subsequent years to bring the General Fund balance into compliance with this policy.

CITY OF LAWRENCE

TRANSIENT GUEST TAX POLICY

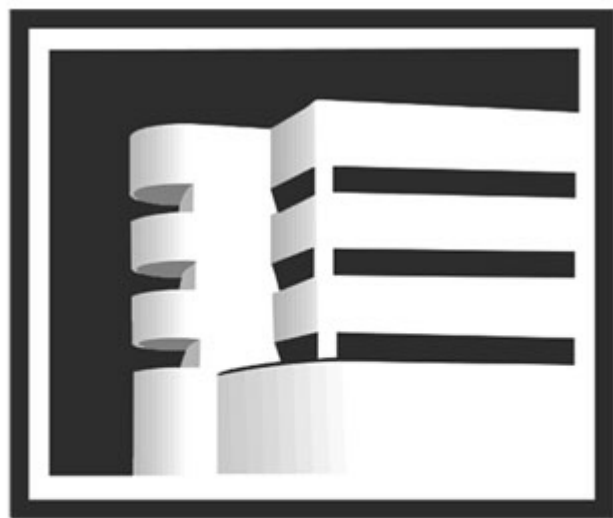
1.0 **Purpose**

To establish a policy which governs the allocation of receipts from the transient guest tax fund to the guest tax reserve fund and the Sister Cities Program. The transient guest tax fund accounts for the 5% transient guest tax (as revised by ordinance # 6564 and approved in 2004 Operating and Capital Improvement Budget on August 19, 2003) received on the occupancy of hotels and motels in the City.

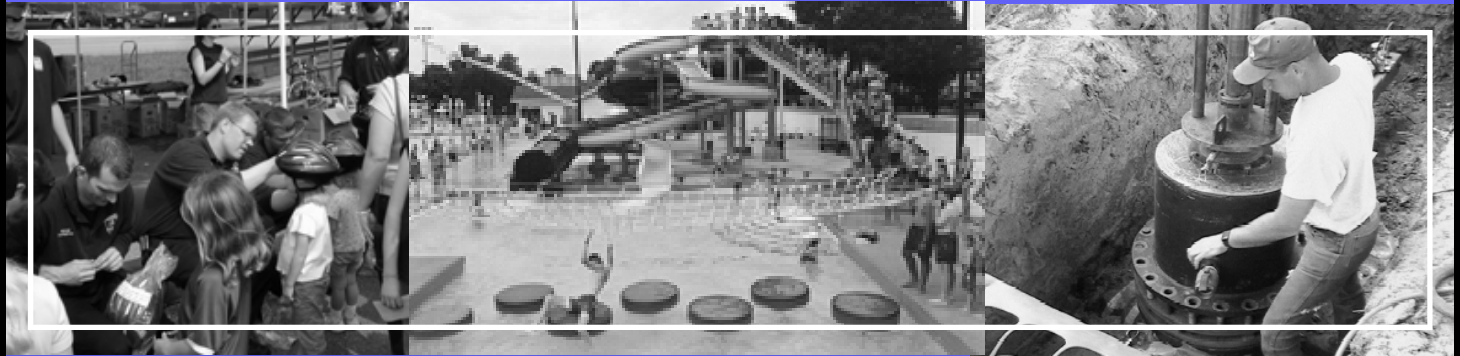
2.0 **Policy**

Revenues from the transient guest tax shall be expended for purposes that the City Commission determines promotes, enhances, maintains or improves the tourism, visitor or convention business of the City. The City Commission hereby allocates a portion of the revenues received from the transient guest tax to the guest tax reserve fund and the Sister Cities Program as follows:

1. The guest tax reserve fund shall annually be allocated \$150,000 of the transient guest tax receipts. The guest tax reserve fund may be expended for enhanced participation in economic development efforts related to events, downtown activities and promotions, other venues that generate sales tax and guest tax dollars for the community, tourism promotion and support services, City services for downtown beautification, support for the development of the National Heritage Area designation and other items to enhance the visitation industry.
2. The Sister Cities Program shall annually be allocated \$12,000 of the transient guest tax receipts.



City of
Lawrence



City of Lawrence, Kansas **Budget Message and Overview**





DAVID L. CORLISS
CITY MANAGER

City of Lawrence KANSAS

City Offices
Box 708 66044-0708
TDD 785-832-3205
6 East 6th
785-832-3000
FAX 785-832-3405
www.lawrenceks.org

CITY COMMISSION

MAYOR
SUE HACK

COMMISSIONERS
MICHAEL H. DEVER
ROBERT CHESTNUT
DENNIS "BOOG" HIGHBERGER
MIKE AMYX

August 27, 2007

The Honorable Mayor Sue Hack and
Lawrence City Commissioners
City Hall
Lawrence, Kansas

Dear Mayor Hack and Commissioners,

Budgets reflect priorities. Budget priorities should change to reflect economic conditions and the policy directions of elected officials. It is my privilege to present the 2008 City of Lawrence budget, which seeks to reflect the priorities and goals of the City Commission for the coming year.

Goals for the 2008 Budget

Staff has articulated the following goals for the development of the 2008 budget:

- **Make Strong Progress in Ensuring that Revenues and Expenditures are Balanced**
- **Make Significant Progress in Responding to Infrastructure, Facility and Equipment Needs**
- **Understand Progress on Economic Development is Necessary**
- **Communicate to the Community that as the City's Financial Condition Improves, Additional Program Improvements and Enhancements Can Be Undertaken**

As we begin to look at each of these goals individually and how staff used them to guide us in the development of the 2008 Budget, we need to acknowledge the results of the recently completed Citizen Satisfaction Survey as yet another component to how we establish budget priorities. Coupled with the policy direction of elected officials, the level of community satisfaction (high or low) with service levels provides us with important guidance for where to allocate funding in the future.

-
- **Make Strong Progress in Ensuring that Revenues and Expenditures are Balanced**

A note on the 2007 budget

As the City Commission is well aware, a number of factors contributed to alterations to the adopted 2007 budget. Sales tax revenue projections have been adjusted downward, reflecting both a local and regional trend in sales tax receipts. Our assessed valuation growth is nearly one-half the historic growth of recent years. Other revenue sources such as building permits and municipal court fines are also not keeping pace with 2007 projections. In response to these conditions and the Commission's interest to seek an improved balance of revenues and expenditures, the City instituted expenditure reductions in key property tax and sales tax supported funds. Our goal is to limit 2007 expenditures in



our largest fund, the general fund, to 94% of those previously budgeted for this year. We have removed three full time administrative positions from the City payroll and we are not including those positions in the 2008 budget. We will have fewer positions in the 2008 general fund budget than we did in 2007. An important factor impacting our 2008 budget is the loss of property taxes on machinery and equipment, which is estimated to cost the City \$116,002 in our 2008 budget. The Commission has indicated a strong preference to limit reliance on property taxes with a first focus on reducing expenditures. These actions do make significant progress in ensuring that revenues and expenditures are closer to being in balance and that we reduce our drawdown of our fund balances. An examination of our actual 2006 expenditures and our projected 2008 expenditures (97% of budget) indicates we are projecting to spend approximately 5% more over this two-year period.

This 2008 budget continues these efforts however; the 2008 budget does continue to rely on our fund balance as a resource to support our expenditures.

The City Commission was provided with several choices in prioritizing expenditures and tax revenues and decided the following:

General Fund

- We have reduced 2008 department funding requests by over \$2 million dollars, using a number of economies achieved in 2007, but also allowing for the hiring of several existing positions, which were deferred in 2007. There are no new General Fund positions funded in 2008. There are no General Fund program improvements funded in 2008.
- City employees will receive a 2% wage adjustment. Our wage survey information indicates that a general wage adjustment for City employees is appropriate to respond to market and cost-of-living conditions.
- The City will not support the Bert Nash Working to Recognize Alternative Possibilities (WRAP) program in 2008.
- \$250,000 of expenditures related to the School Resource Officer program will be transferred from the General Fund into the Special Alcohol fund. This required a shift from the recommendation coming from our advisory board; however, I believe it is appropriate to adjust the recommendations to continue to fund this worthy program.

These decisions will present significant challenges for building a 2009 budget because expenditures will still exceed revenues, and we will continue to draw down our fund balance. I plan to address this issue with a number of initiatives – which are currently in various stages of implementation. We are committed to hiring a City auditor later this year. This position will assist in improving the financial and operational performance of the organization. I also plan to use the remainder of 2007 to critically examine a major expenditure element of the City: personnel expenditures. We cannot sustain a personnel system that increases on an annual basis at a rate larger than our annual revenue increases. Specifically, we will consider implementing a performance evaluation and associated merit pay plan, which will require department directors to budget merit pay differently than in the past. This plan utilizes a merit pay “pool” for department directors to reward appropriately their highest employee performers. We will also continue our examination of overtime expenditures and whether adjustments should be made to our current practices. I believe these large-scale and system-wide personnel issues can result in lower expenditures in 2008. This effort will require management to engage our employees to ensure that we have appropriate employee involvement in this significant change to our personnel system. Along with other economies, we can make substantial progress in aligning our expenditure growth with our revenue growth throughout the budget year.

Additionally, we should continue to pursue changes in the funding of jointly funded departments and responsibilities with both Douglas County and the Lawrence School District. We have indicated that we will begin discussions with Douglas County later this year. We should also advise the Lawrence School District of similar needs and specifically ask the School District to fund 50% of the School Resource Officers and School Crossing guards beginning with their 2008-2009 School Budget year.

Transit Fund

Mill levy pressures required the Transit mill levy to be reduced in past years, although the mill levy for 2007 was slightly increased. We have spent the fund balance down in this fund to the point that the existing service and even reduced levels of service cannot be sustained without a property tax mill levy increase.

By transferring \$332,000 from the City's equipment reserve fund and increasing the mill levy by .425 mills, the City Commission decided to maintain existing service levels for 2008, meeting the needs of the transit dependent as well as meeting the goal of providing transportation alternatives for the community.

Using the one-time transfer of funds will address the revenue shortfalls in 2008, however, building a budget for 2009 will be challenging. Our contract with our service provider, MV Transportation, is set to expire at the end of 2008. The rising cost of fuel, as well as the age and condition of the City's transit fleet are likely to result in increased cost for service. Staff will continue to explore improvements to the current route timing and design. Discussions with the University of Kansas will also continue regarding a possible merger of the City's Transit system and the KU on Wheels System. It is our hope these efforts will help to maximize the efficiency of this valuable service.

Additional City Service Notes

- While budgeting for downtown Lawrence support in 2008, I am recommending that we engage in a discussion later this year on the appropriate funding mechanism for downtown Lawrence support, specifically whether these funds should go to Downtown Lawrence Inc. or another agency or City department function.
- Swimming pool fees will be increased in 2008 to enhance the fiscal status of the Recreation Fund versus a mill levy increase or service reduction.

I'm sure I speak for the Commission that a mill levy increase was not adopted lightly, nor without recognition of its impact upon our citizens. That we can point to higher mill levies in our community (County and School District), higher mill levies in our past, and higher mill levies in other communities does not reduce the dollar impact on property owners. I believe the Commission should continue to engage in a robust discussion on the issue of city and community priorities – what services do we wish to say “no” to?

• Make Significant Progress in Responding to Infrastructure, Facility and Equipment Needs

A key priority and goal of the City Commission is to ensure that the City's essential infrastructure is planned for and maintained at an appropriate level that is acceptable to the community and that equipment needs are attended to in a manner that meets operation and safety requirements.

Street Maintenance

As reflected in the recent Citizen Survey, adequate street maintenance remains a top priority of Lawrence residents. The City Commission has previously responded to this important infrastructure issue by providing significantly increased resources for street maintenance activities. In 2007, we are planning to spend \$5.3 million on street maintenance work (mill, overlay and micro-surfacing). This was accomplished with significant general fund resources, capital improvement reserve funds, and sales tax resources. Additionally, we added a new 3-person crew for street maintenance. We will build on this progress on this top Commission and community priority by spending slightly more in 2008 than in 2007.

In 2008, we plan to spend \$5,405,500 for street maintenance activities from the following resources:

<u>FUND</u>	<u>2008 BUDGET FOR STREET MAINTENANCE</u>
General Fund	\$2,395,500
Gas Tax Fund	870,000
Storm Water Fund	240,000
Bond & Interest Fund	650,000
Sales Tax Reserve Fund	850,000
Capital Imp. Reserve Fund	0
Storm Water Reserve Fund	400,000
<u>TOTAL</u>	<u>\$5,405,500</u>

This level of street maintenance is less than requested by the Public Works Department but will continue to provide resources to tackle the preventative maintenance on those streets that are not yet in the “failed” category. Failed streets are more likely to be complete re-builds and thus more appropriate for debt financing due to their anticipated longevity once re-built.

Water and Sewer Infrastructure

Substantial progress on a number of utility department priorities has occurred in the past year; including: construction on a significant expansion of the Clinton Water Treatment facility; the Pump Station No. 48 project, with associated gravity and forcemain lines; engineering design for the installation of a new water tower at West 6th Street and Stoneridge; comprehensive improvements to sanitary sewer pump stations serving Lawrence north of the Kansas River; and the final phase of waterline improvements serving Massachusetts Street businesses in our downtown.

Also, we continue to make substantial progress on our plans to construct the new Wakarusa Water Reclamation Facility. We have successfully acquired the 530 acre site for the facility and we are moving forward with the necessary land use approvals to begin construction later this year. The City Commission has approved the selection of the two design/build teams, which will construct the facility and will construct the pipeline conveyance systems to the facility.

In 2008, we will build on this progress in ensuring that utility infrastructure is in place to support our community and its plans for growth. Rate increases for were approved for water and sanitary sewer customers as part of the 2008 budget.

Fire and Medical Department Apparatus Needs

The 2008 capital budget includes funding for top priority fire/medical department apparatus needs. While we typically do not debt finance vehicles, the type and cost of apparatus needed for this department has been appropriately funded this way in the past because of the longevity of the purchased equipment. In 2008, either debt financing or leasing of these major pieces of apparatus will provide the department with reliable equipment while reducing our short-term expenditures.

• **Understand Progress on Economic Development is Necessary**

In last year's budget transmittal letter, I wrote:

“To put it bluntly, the Lawrence community must do more to achieve our economic development aspirations and increase our non-residential tax base. As was noted in an earlier report, we significantly lag behind area communities in non-residential tax base. Without quality growth in our tax base, we risk reduced resources and the inability to maintain desired service levels. This is not a plea for growth solely for the sake of growth. This is a call to refresh our vision toward quality growth, which retains our community values while providing better and higher paying employment opportunities and an enhanced tax base for our community. Quality economic development will not occur overnight – it is an investment, which will create a better future.”

A year later, I do not have anything to add in regards to our vision for economic development. We can point to an increased emphasis in a number of areas in regards to economic development:

- We are continuing our emphasis on economic development by fully funding the request from our partner, the Lawrence Chamber of Commerce, in the amount of \$195,000 for 2008. We also continue our investment in the biosciences initiative (\$200,000). We have also budgeted \$125,000 in utility department funds (infrastructure enhancement funds) as the 2008 payment for the City's participation in the Kansas Biosciences renovation of the East Hills building.
 - A change in an administrative policy allows the City to retain \$150,000 in transient guest tax revenue on an annual basis. This funding for the Guest Tax Reserve Fund will allow for enhanced participation in economic development efforts related to events, downtown activities and promotions, and other venues that generate sales tax dollars for the community. These funds could be used for a variety of tourism promotion and support services; including existing City services for downtown beautification, support for the development of the recent National Heritage Area designation, and other items geared to enhancing our visitation industry.
 - If the City is successful in the purchase of the Farmland property for an industrial park development opportunity with Douglas County and the Chamber of Commerce, we will have enhanced our toolbox for economic development by having additional land available for future efforts designed to bring good paying jobs to the community. However, the budget does not include any general fund expenditures for this item in 2008.
 - Our "one stop shop" concept is closer to fruition with the merger of the Neighborhood Resources and Planning departments into a Planning and Development Services Department. This merger and other ongoing efforts to improve our development and planning process should reap benefits for our economic development activities. We are recommending proceeding with the lease/acquisition of the west wing of the Riverfront Mall contingent upon negotiation of a successful agreement. Our first phase would be the renovation use of the middle floor for the "one-stop-shop."
 - Additional efforts such as the downtown sprinkler program (designed to protect the valuable historical asset of downtown from a devastating fire event), the completion of the downtown waterline and Massachusetts Street overlay project, and the potential for developing a neighborhood revitalization act to assist property owners downtown with additional resources to rejuvenate their property all serve to contribute to the community's economic development.
- **Communicate to the Community that as the City's Financial Condition Improves, Additional Program Improvements and Enhancements Can Be Undertaken**

As noted earlier in this transmittal letter, there are no new program improvements planned for or budgeted in 2008. However, your City staff will continue with our efforts to enhance our existing programs as opportunities present themselves today so we are prepared, when financial conditions begin to improve, to provide the improvements our community desires in the future.

The 2008 Operating and Capital Improvement Budget includes a list of priority projects that will be debt financed to provide these infrastructure improvements and equipment enhancements:

- 19th & Louisiana street improvements*
- 6th Street ITS improvements
- KLINK street improvement projects*
- 23rd and Harper intersection improvements*
- Ohio Street brick renovations*
- Lease or purchase of fire equipment – engine truck
- Lease or purchase of fire equipment – engine truck
- Police Department evidence storage & processing facility – phase 1
- Renovation of middle floor of west wing Riverfront Mall for "one-stop-shop" for Planning and Development Services (contingent upon successful lease-purchase agreement for property)

(*previously committed projects with the Kansas Department of Transportation)

We want to continue to be a unique and remarkable community. Our annual budget should reflect our desire to do more than simply pay the bills and fill the potholes – both worthy endeavors, but not completing our aspirations as a community. While the budget does not contain numerous new initiatives, your staff will continue to work on a number of items that reflect Commission goals: enhanced economic development, improvements to our planning and development process, seeking to have quality, efficient infrastructure installed concurrent with development, and promoting livability in our neighborhoods. We will continue our exploration of the Kansas Neighborhood Revitalization Act with a goal to present adoption options to the Commission later in 2007. We will continue to enhance our efforts toward pesticide-free parks pursuant to Commission direction. We will continue with our efforts to assist downtown property owners with the installation of fire prevention sprinkler systems to protect our invaluable downtown properties. We will continue our long range planning efforts to provide guidance for solid community growth, including Commission consideration later this year of an optional Traditional Neighborhood Design code, which promotes sustainable neighborhoods.

If more resources were available, we would implement additional program improvements. I would have recommended additional law enforcement resources for 2008 but was unable to do so within current fiscal restraints. We must respond to our current economic conditions, ensure attention to our basic, core functions, and make solid efforts at enhancing our tax base to provide for future needs and budgets.

I want to thank Debbie Van Saun, Casey Liebst, Jonathan Douglass, and Ed Mullins for their efforts in creating the 2008 budget. I look forward to discussions with the Commission and members of our community in the coming year as we implement these plans.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David L. Corliss". The signature is fluid and cursive, with the first name "David" being the most prominent part.

David L. Corliss
City Manager

FUND OVERVIEW

CITY OF LAWRENCE, KANSAS

FUND OVERVIEW

PROPERTY TAX SUPPORTED FUNDS

General Fund

The proposed 2008 budget includes a 2% general wage adjustment for all full-time regular employees. Although the 2008 budget reflects the merging of some departments (the Planning and Neighborhood Resources departments will be merged to form a Planning and Development Services Department to improve the development process; we have merged the budget for the Human Relations Department into the Legal Services Department as we explore the best means for carrying out the mission of our civil rights ordinance), no new positions are being added to the budget. The General Fund (via the Public Works Department budget) continues to provide funding for an enhanced street maintenance program following previous City Commission direction. The City's share of employee health benefits will rise in 2008, from \$7,211/employee to \$7,637/employee. Requests for support for social service agencies are reflected in this budget, reflecting both the community's desire to be responsive to these needs as well as the diminishing support from State and Federal entities. We are placing a \$1.2 million transfer expenditure in the general fund that we will not make to ensure we comply with both the statutory requirement for fund balances and our policy goal for fund balances.

Library

Non-tax fund revenues are anticipated to be relatively flat for the Library Fund, including interest income, state aid, and ongoing grant commitments. The Commission provided direction to utilize the increased assessed property valuations and keep the mill levy relatively flat.

Public Transportation

There is a significant increase in the mill levy for 2008 for this fund despite efforts to maximize federal/state funding dollars. In previous years, the fund benefited from a healthy fund balance as part of the revenue stream, but the reduction of the fund balance coupled with a lower (3%) increase in assessed valuation required a mill levy increase and a transfer from the City's equipment reserve fund in order to maintain existing service levels.

Recreation

This fund benefits from the increased assessed valuation but has no increase in the mill levy. Other revenue sources (costs for services and program, sales tax support) are anticipated to remain relatively flat for 2008 with the exception of fees for aquatic programs. An increase in aquatic fees will provide additional revenue for the operation of the City's aquatic facilities.

Bond and Interest

Multi-year capital improvement plans have been submitted to the City Commission for the Water and Wastewater, Storm Water, Sales Tax Program, and non-enterprise capital projects. These plans are important tools for fiscal planning along with the debt policy approved in 2002 by the Commission. Maintenance of existing facilities is as important as expansion, and these plans reflect a number of projects related to restoring or replacing present facilities. The Bond and Interest mill levy remains stable, taking into consideration the increase in assessed property valuation, but is expected to rise in the next few years due to several City-at-large projects approved recently. A new system of reviewing project requests was implemented in 2006 allowing for a more balanced review of evaluation criteria.

SPECIAL REVENUE FUNDS

Guest Tax

According to information provided by the Lawrence Convention and Visitors Bureau in their 2008 Budget Request proposal, continued growth in sleeping rooms as well as meeting facilities in competing markets will have an effect on the Lawrence market. The guest tax rate was increased from 4% to 5% in 2004. The 2008 budget allows for an enhancement of the reserve fund (to \$150,000) for additional events and attractions designed to bring sales tax dollars into the community. The City's administrative policy on this topic will be adjusted accordingly.

Special Alcohol

Historically, this fund has seen annual increases in the total receipts collected by the state via the liquor tax. The 2008 budget conservatively estimates a revenue level that is slightly higher than actual 2006 revenue. It was

CITY OF LAWRENCE, KANSAS FUND OVERVIEW

clear during the deliberations by the Advisory Board that agencies request funds were feeling the pinch from revenue shortfalls from other sources, particularly at the state level. The decrease in federal funding (grants) was discussed as a trend affecting the philanthropic habits of the community.

Special Gas

Revenue continues to increase modestly for this fund although the tax rate per gallon (\$0.24/gallon gasoline, \$0.26/gallon diesel) has not increased since 2003. Projections for 2008 are conservative due to the continued fluctuation in fuel costs and the potential effect on sales statewide.

Special Recreation

This fund continues to see annual increases in the total receipts collected by the state via the liquor tax. On the expenditure side, this fund provides contractual services to cover the City's share of the operation of the Lawrence Arts Center, the Lawrence Arts Commission, concert performances of the Lawrence City Band, and the Pedal Plan. In 2008, conservative revenue projections and other contractual service demands for parks facilities resulted in only slight increases for the Arts Commission.

ENTERPRISE FUNDS

Water and Wastewater Fund

Following recommendations provided via updates to the 2004 Black & Veatch rate study, rate for water and wastewater will increase for 2008. This proposed increase will continue to provide revenue for the operating and capital costs of the Utilities Department and address the various bond and State Revolving Loan payment commitments. As a note, in 2003, Black and Veatch completed Water and Wastewater Master Plans through 2025. The aforementioned rate study determined future revenue requirements for the adjusted capital improvement plan for these two utilities. That study has been updated with the most recent project information and a proposed debt schedule that allows for more modest rate increases.

Solid Waste

Solid waste fees will increase \$0.49 monthly per residential customer for 2008. This increase in rates will provide revenue for operating the residential, commercial, and recycling divisions of this fund.

Public Parking

The Downtown 2000 parking garage has been a popular addition to the downtown area, serving the Lawrence Arts Center and the central downtown area. The completion of the planned retail and residential projects associated with this Tax Increment Financing (TIF) project will undoubtedly result in increased use of the downtown parking system and result in appropriate revenue strength for this fund. Following City Commission direction, an increase in overtime parking fines was implemented in 2004 to increase revenue.

Storm Water

Following the master plan for this utility, and a previously approved rate plan, the rate charged for storm water fees will not increase and remain at \$4.00 per equivalent residential unit (ERU). The initial rate of \$2.00 per ERU was established in April, 1997. In the fall of 2000, a rate study was completed, and the City Commission adopted an ordinance establishing subsequent rate increases of \$1.00 per ERU in 2002 and \$1.00 per ERU in 2003. With these rate increases, two (2) priority storm water projects began the construction process in 2004 and were completed in 2005. Maintenance of the storm water system is a priority; including meeting the NPDES permit requirements.

Public Golf

Efforts continue to balance revenue with expenditures for this fund, which is subject to conditions such as weather and the economy in ways that can affect the bottom line.

2008 Budget Fund Summary of Resources by

	Property Tax Supported Funds				Debt Service Fund	Special
	General 001	Library 209	Pub. Tran. 210	Rec. 211	Bond/Int. 301	Guest Tax 206
RESOURCES						
Ad Valorem Taxes	13,697,251	2,958,299	1,053,105	443,158	6,385,043	820,800
Other Taxes	28,283,298				1,700,000	
Licenses/Permits	978,500					
Intergov. Revenue	4,658,108					
Charges for Service	580,000		312,300	1,437,350		
Fines /Forfeitures	2,500,000					
Use of Money/Prop	1,000,000			118,000	150,000	
Miscellaneous	265,000				85,000	
Spec. Assessment						
Transfers In	3,176,880			1,447,000	0	
Fund Bal. Fwd.	7,253,676	67,548	209,260	149,633	3,589,112	188,219
TOTAL	\$ 62,392,713	\$ 3,025,847	\$ 1,574,665	\$ 3,595,141	\$ 11,909,155	\$ 1,009,019
EXPENDITURES						
Personal Services	38,151,442		53,493	2,884,057		
Contractual Services	9,012,058	3,021,000	1,496,853	434,655		982,000
Commodities	5,127,468		500	241,900		
Capital Outlay	608,841		-	-		
Debt Service	4,575		-	-	11,720,000	
Transfers Out	6,407,000		-	-		
Contingency	200,000		-	30,000		
TOTAL	\$ 59,511,384	\$ 3,021,000	\$ 1,550,846	\$ 3,590,612	\$ 11,720,000	\$ 982,000
further details available on pages	B-1 to B-63	D-1 to D-5	E-1 to E-5	F-1 to F-5	J-1 to J-8	C-1 to C-3

Resources by Classification for all Budgeted Funds 2006 - 2008

	2006	2007	2007	2008
RESOURCES	Actual	Adopted	Estimated	Budget
Ad Valorem Taxes	22,525,405	23,308,417	23,308,417	24,536,856
Other Taxes	32,275,766	34,221,770	34,221,770	34,614,489
Licenses/Permits	1,128,747	1,080,000	1,080,000	978,500
Intergov. Revenue	3,795,431	4,163,950	4,163,950	4,658,108
Charges for Serv.	44,383,369	43,030,350	43,105,350	47,013,650
Fines /Forfeitures	2,455,620	2,750,000	2,750,000	2,500,000
Use of Money/Prop	2,549,456	1,438,000	1,373,000	1,405,000
Miscellaneous	527,257	325,000	325,000	350,000
Spec. Assessment	-	-	-	-
Transfers In	3,048,874	4,425,600	4,425,600	4,623,880
Fund Bal. Fwd.	52,875,123	27,719,783	47,776,995	25,260,081
TOTAL RESOURCES	165,565,048	142,462,870	162,530,082	145,940,564

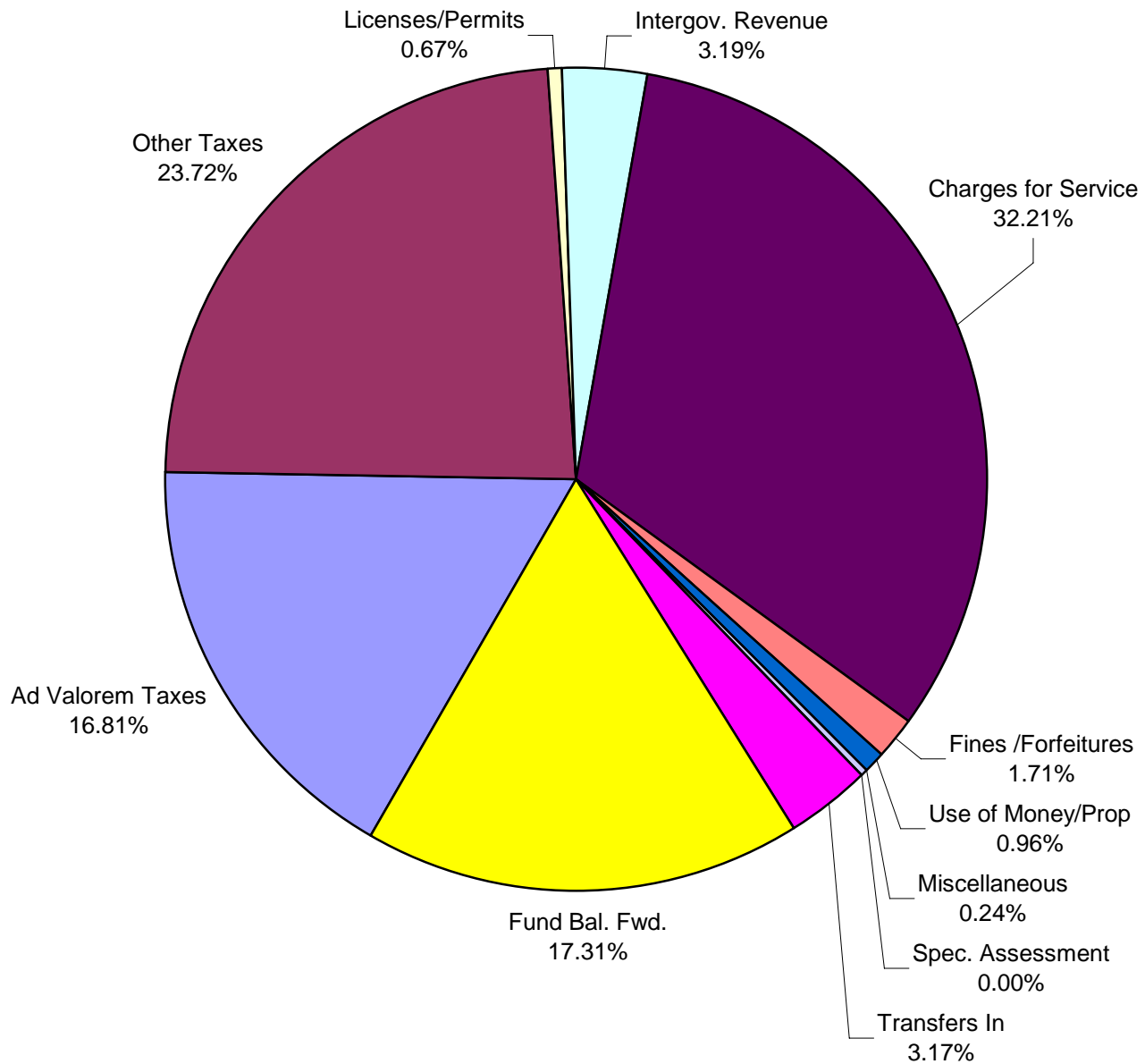
Classification and Expenditures by Category

Revenue Funds			Enterprise Funds					
Spec. Alchl 213	Spec. Gas 214	Spec. Rec. 216	Wtr/ Wstwr 501	Solid Waste 502	Pub. Parking 503	Strm Water 505	Pub. Golf 506	TOTAL
575,000	2,660,391	575,000	30,420,000	9,500,000	905,000	2,850,000	1,009,000	24,536,856
				100,000	10,000	27,000		34,614,489
								978,500
								4,658,108
								47,013,650
								2,500,000
								1,405,000
								350,000
								0
								4,623,880
107,882	223,723	33,870	10,829,339	1,507,415	334,419	780,468	(14,483)	25,260,081
\$ 682,882	\$ 2,884,114	\$ 608,870	\$ 41,249,339	\$ 11,107,415	\$ 1,249,419	\$ 3,657,468	\$ 994,517	\$ 145,940,564
240,000	1,691,231	47,900	9,122,586	6,135,264	821,824	732,908	455,040	60,335,744
398,154	480	304,500	5,272,768	2,727,072	114,700	116,540	152,000	24,032,780
10,000	1,010,000	90,000	3,360,805	840,540	107,320	272,200	192,900	11,253,633
-	150,000	145,000	1,079,500	835,000	30,000	520,000	73,000	3,441,341
-	-	-	9,000,000	-	-	1,295,088	-	22,019,663
-	-	-	11,164,150	386,025	75,000	462,413	-	18,494,588
5,000	-	10,000	685,605	80,000	50,000	104,000	100,000	1,264,605
\$ 653,154	\$ 2,851,711	\$ 597,400	\$ 39,685,414	\$ 11,003,901	\$ 1,198,844	\$ 3,503,149	\$ 972,940	\$ 140,842,355
G-1 to G-3	H-1 to H-5	I-1 to I-4	K-1 to K-24	L-1 to L-9	M-1 to M-5	N-1 to N-5	O-1 to O-5	

Expenditures by Category for all Budgeted Funds 2006 - 2008

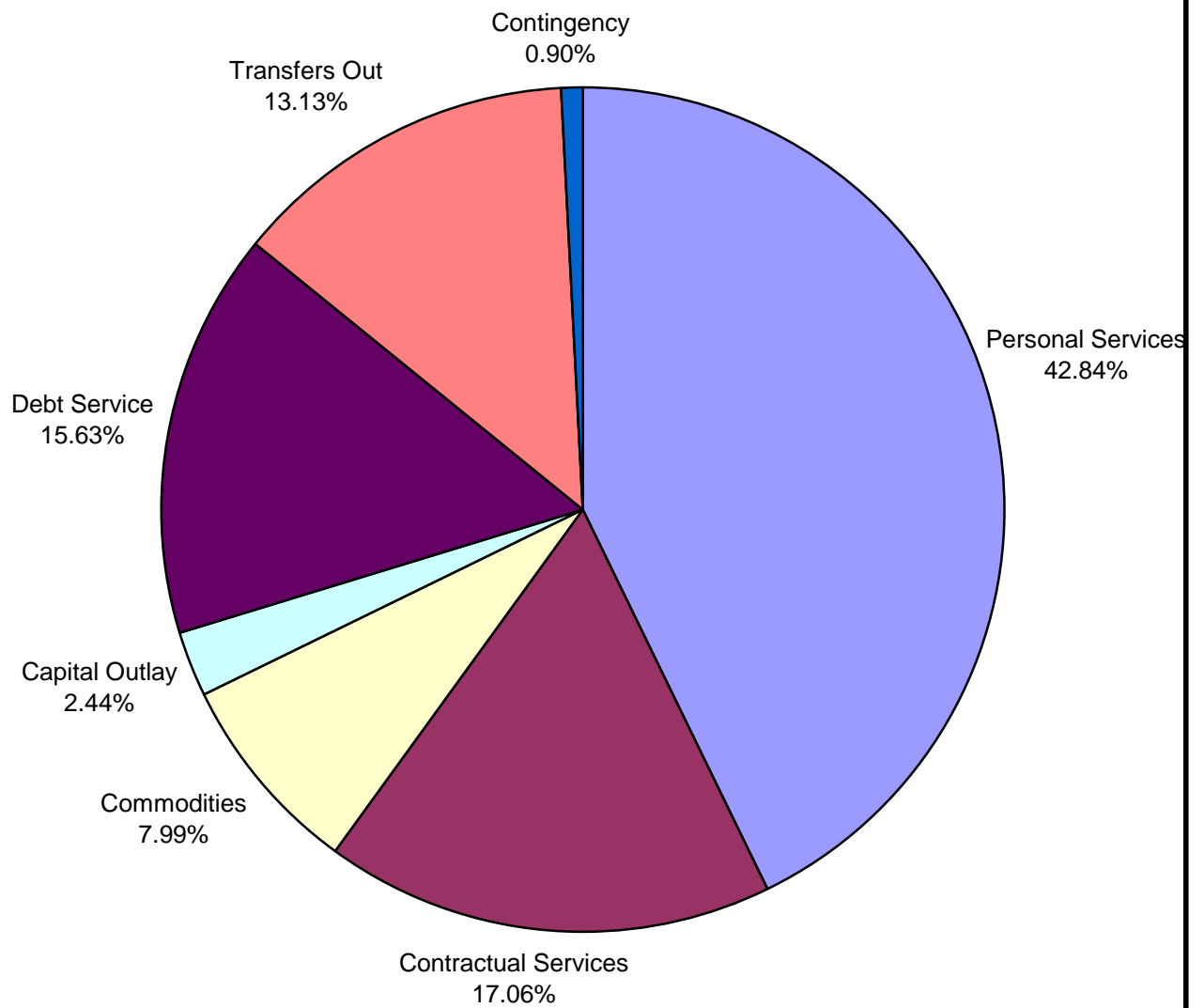
	2006	2007	2007	2008
EXPENDITURES	Actual	Adopted	Estimated	Budget
Personal Services	52,079,282	57,233,919	57,233,919	60,335,744
Contractual Services	22,098,254	23,887,184	23,636,805	24,032,780
Commodities	10,181,183	10,739,940	10,733,754	11,253,633
Capital Outlay	2,602,739	3,696,203	3,696,203	3,441,341
Debt Service	17,089,233	22,120,220	22,120,220	22,019,663
Transfers Out	13,887,412	18,166,600	18,166,600	18,494,588
Contingency	29,694	1,692,500	1,682,500	1,264,605
TOTAL EXPENDITURES	117,967,797	137,536,566	137,270,001	140,842,355

2008 Budgeted Resources by Classification:
Total - \$145,940,564

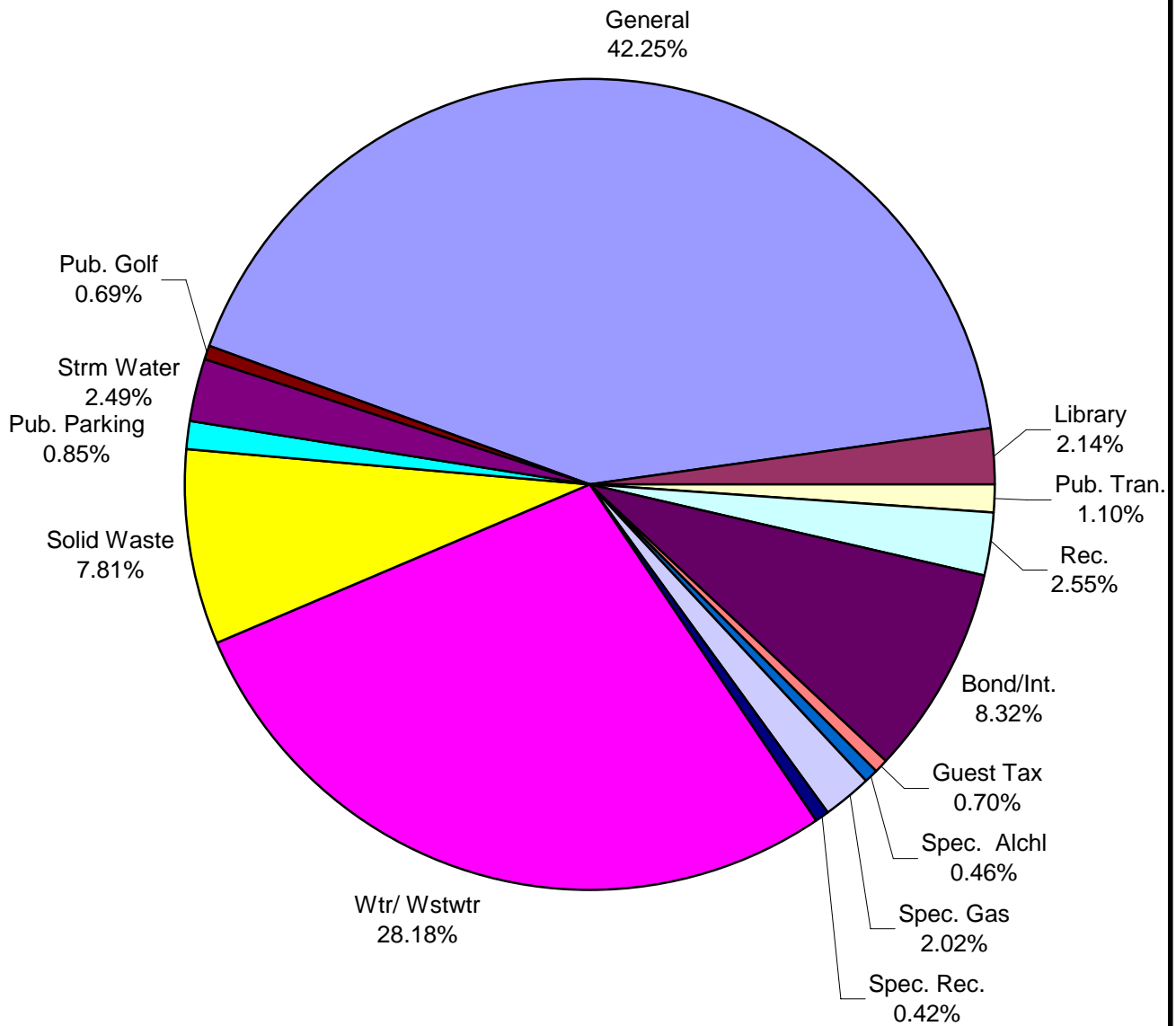


"Other Taxes" includes local and countywide sales tax, liquor tax, fuel tax, transient guest tax, motor vehicle tax, etc.

2008 Budgeted Expenditures by Category:
Total - \$140,842,355



2008 Budgeted Expenditures by Fund:
Total - \$140,842,355

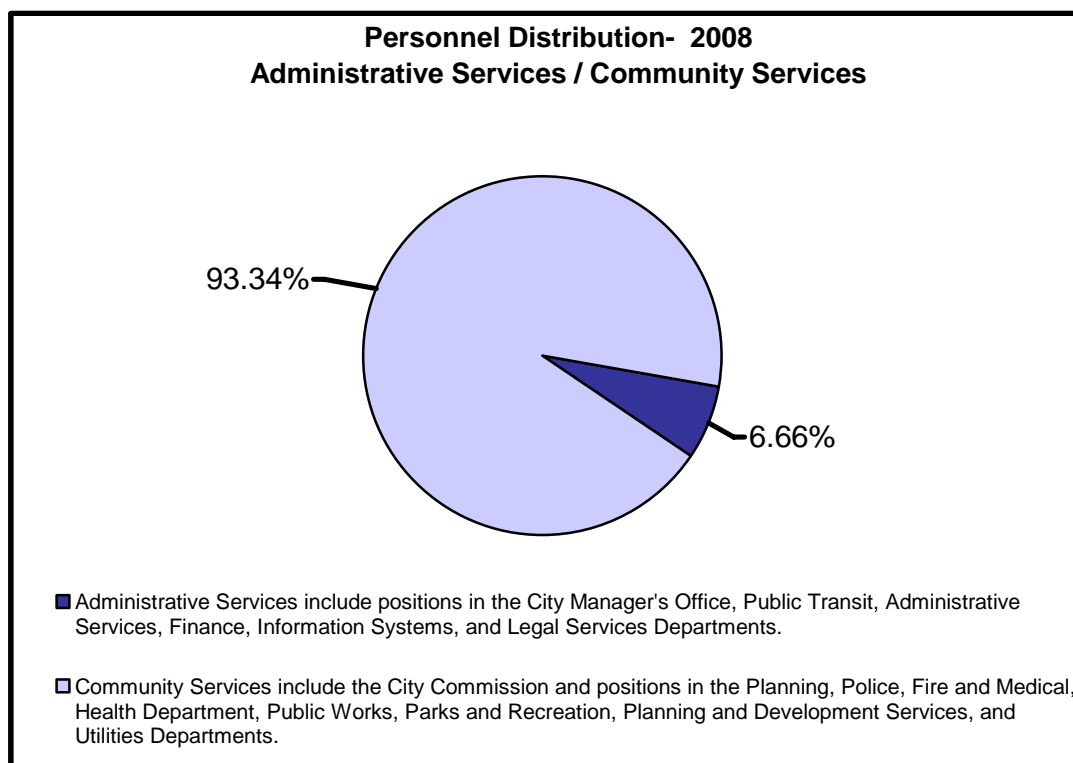


CITY OF LAWRENCE PERSONNEL SUMMARY

DEPARTMENT	AUTHORIZED POSITIONS (FTEs)*		
	2006	2007	2008
City Commission	5.00	5.00	5.00
City Manager's Office	8.00	9.50	8.00
Planning*	15.20	15.20	
Neighborhood Resources*	14.00	14.00	
Planning and Development Services*			29.72
Administrative Services	10.13	10.50	9.50
Finance	5.13	5.13	5.13
Information Systems	9.00	9.00	8.00
Human Relations**	0.00	0.00	
Legal Services**	17.50	19.50	24.00
Police	174.00	176.00	176.00
Fire and Medical	146.00	146.00	146.00
Health	1.00	1.00	1.00
Public Works	167.75	174.75	174.75
Parks and Recreation	76.28	76.28	76.28
Public Transit	1.00	1.00	0.40
Utilities	120.26	127.76	134.26
TOTAL	770.25	790.62	798.04

*Planning and Neighborhood Resources were combined into the Department of Planning and Development Services in 2007.

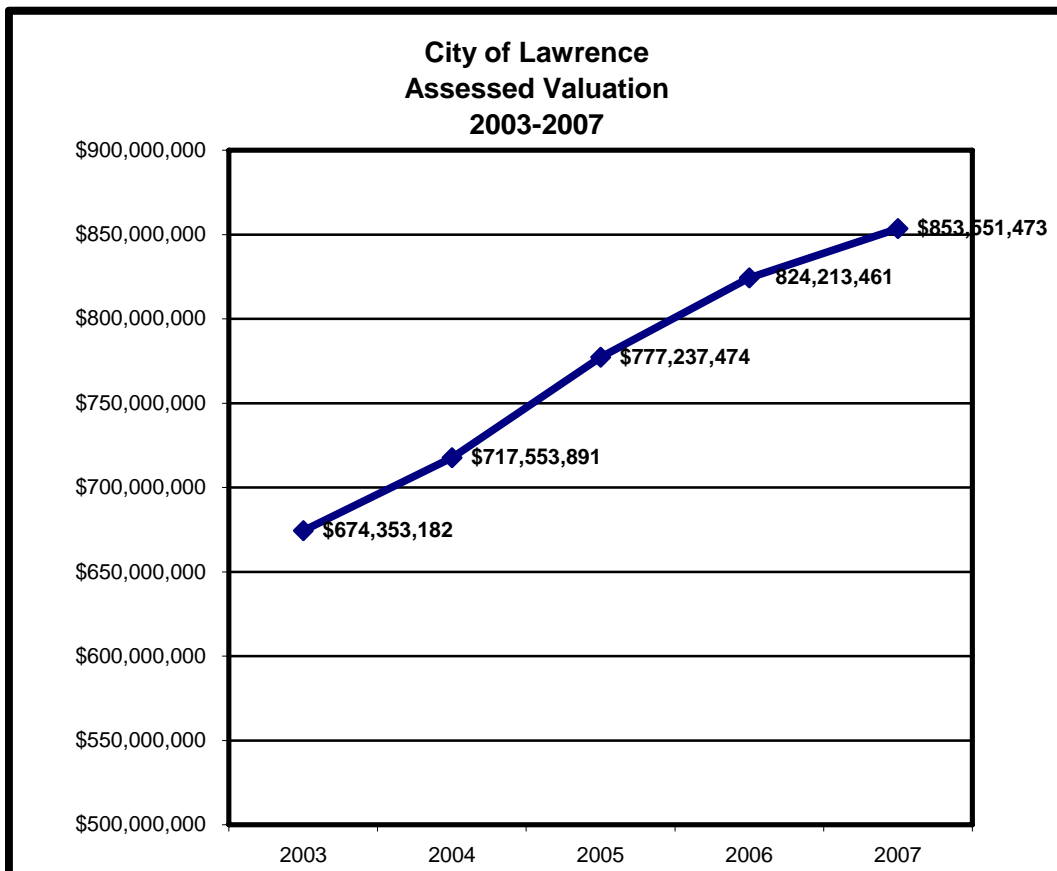
** Human Relations will be merged with Legal Services in 2008.



COMPUTATION OF AD VALOREM TAX REQUIREMENTS AND MILL LEVY

2007 ESTIMATED ASSESSED VALUATION: \$ 853,551,473

FUND NUMBER	FUND	2008 REQUIREMENTS	ADD 3.3% DELIN- QUENT TAXES	AD VALOREM TAX REQUIREMENT	MILL RATE
Property Tax Levy Funds					
001	General Operating	12,286,000	405,438	12,691,438	14.869
209	Library	2,693,000	88,869	2,781,869	3.259
210	Public Transportation	967,500	31,928	999,428	1.171
211	Recreation	399,000	13,167	412,167	0.483
	<i>Sub Total Property Tax Levy Funds</i>	16,345,500	539,402	16,884,902	19.782
Supplemental Tax Levy Funds					
301	Bond and Interest	5,789,000	191,037	5,980,037	7.006
	<i>Sub Total Supplemental Tax Levy Funds</i>	5,789,000	191,037	5,980,037	7.006
	GRAND TOTAL	22,134,500	730,439	22,864,939	26.788



FUND EXPENDITURE SUMMARY

2006-2008

Fund #	Fund Description	2005 Mill Levy	Actual 2006 Expenditures	2006 Mill Levy	Budget 2007 Expenditures	2007 Mill Levy	Proposed 2008 Expenditures
Property Tax Levy Funds							
001	General Operating	15.026	\$ 54,110,109	14.869	\$ 58,070,229	14.869	\$ 59,511,384
209	Library	3.264	2,759,000	3.259	2,950,000	3.259	3,021,000
210	Public Transportation	0.632	1,354,785	0.746	1,754,423	1.171	1,550,846
211	Recreation	0.406	3,297,544	0.483	3,473,598	0.483	3,590,612
	<i>Sub Total Property Tax Levy Funds</i>	19.328	\$ 61,521,438	19.357	\$ 66,248,250	19.782	\$ 67,673,842
Supplemental Tax Levy Funds							
301	Bond and Interest	7.047	\$ 8,758,665	7.006	11,609,099	7.006	11,720,000
	<i>Sub Total Supplemental Tax Levy Funds</i>	7.047	\$ 8,758,665	7.006	\$ 11,609,099	7.006	\$ 11,720,000
Non-Property Tax Levy Funds							
206	Guest Tax		\$ 671,823		\$ 850,000		\$ 982,000
213	Special Alcohol		611,360		651,899		653,154
214	Special Gas Tax		2,588,388		2,915,425		2,851,711
216	Special Recreation		595,639		585,800		597,400
501	Water and Sewer		28,363,213		37,647,321		39,685,414
502	Sanitation		9,626,102		10,851,981		11,003,901
503	Public Parking		819,013		1,152,174		1,198,844
505	Storm Water Utility		3,396,994		4,020,314		3,503,149
506	Public Golf Course		1,015,162		1,004,303		972,940
	<i>Sub Total Non-Property Tax Levy Funds</i>		\$ 47,687,694		\$ 59,679,217		\$ 61,448,513
	GRAND TOTAL	26.375	\$ 117,967,797	26.363	\$ 137,536,566	26.788	\$ 140,842,355
	Taxes per \$1000 Valuation	26.38		26.36		26.788	

VALUE OF YOUR CITY OF LAWRENCE PROPERTY TAX DOLLAR

To estimate your City Property Tax bill for 2008:

First, determine the assessed valuation for your residential property by multiplying the market value of home by 11.5%:

$$\begin{array}{rcl} \text{Market value of home} & = & \$125,000 \\ & \times & 11.50\% \\ \hline \text{assessed valuation} & = & \$14,375 \end{array}$$

Second, multiple your assessed valuation by the 2008 mill rate levied by the City and divide by \$1,000:

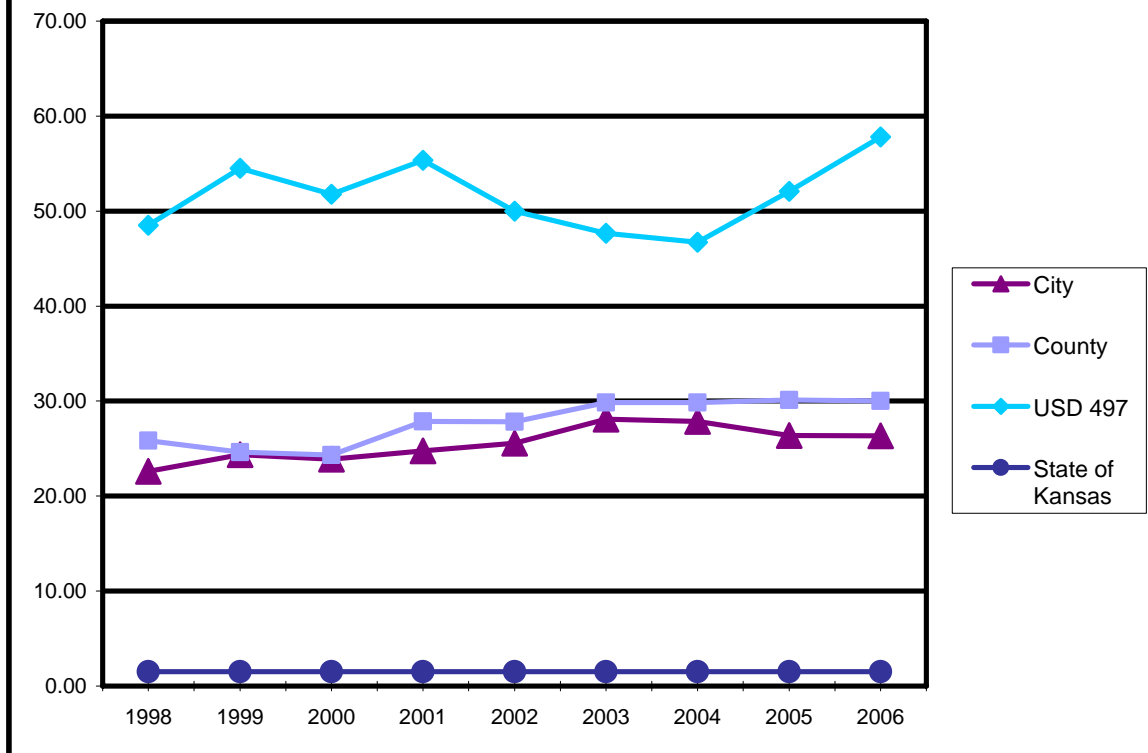
$$\begin{array}{rcl} \text{assessed valuation} & \$ & 14,375 \\ \times \text{ 2008 City mill rate} & & 26.788 \\ \hline & \$ & 385,077.53 / 1,000 = \end{array}$$

$$\text{Estimated 2008 City Tax liability} = \$ 385.08$$

For residential property, the City tax bill equates to approximately \$3.08 for each \$1,000 of the fair market value.

Fair Market Value of Home	Assessed Valuation	Approx. City Tax Bill	
		Mill Rate =	26.788
100,000	\$ 11,500.00	\$	308.06
125,000	\$ 14,375.00	\$	385.08
150,000	\$ 17,250.00	\$	462.09
175,000	\$ 20,125.00	\$	539.11
200,000	\$ 23,000.00	\$	616.12
225,000	\$ 25,875.00	\$	693.14
250,000	\$ 28,750.00	\$	770.16
275,000	\$ 31,625.00	\$	847.17
300,000	\$ 34,500.00	\$	924.19
350,000	\$ 40,250.00	\$	1,078.22
400,000	\$ 46,000.00	\$	1,232.25
450,000	\$ 51,750.00	\$	1,386.28
500,000	\$ 57,500.00	\$	1,540.31

Comparison of Local Levies - City, County, School District, and State: 1997-2006



Year	City	County	USD 497	State of Kansas	Total
1998	22.60	25.84	48.50	1.50	98.44
1999	24.35	24.62	54.52	1.50	104.99
2000	23.90	24.32	51.78	1.50	101.50
2001	24.77	27.86	55.34	1.50	109.47
2002	25.56	27.82	49.98	1.50	104.86
2003	28.09	29.84	47.65	1.50	107.08
2004	27.86	29.85	46.71	1.50	105.92
2005	26.36	30.10	52.08	1.50	110.04
2006	26.36	30.01	57.80	1.50	115.67

CITY OF LAWRENCE, KANSAS SIGNIFICANT CHANGES IN FUND BALANCE

According to state statutes, the fund balance for any budgeted fund cannot exceed 5% of the fund's total budgeted expenditures. As shown on the next page, the 2008 budget complies with this requirement. The budget also includes expenditure line items, which are not planned to be made to allow the City to project for a greater fund balance than what is required by State law.

A change in fund balance of more than five percent is considered significant. A brief explanation is provided below for each significant change in fund balance.

General Operating Fund - Increased personal services costs as well as an increase in commodities, and the transfers to other funds translate into a 4.84% fund balance.

Public Transportation - The fund balance is affected by increased contractual services in 2008. The budgeted fund balance will be significantly lower than in 2007, at 1.54% of the budgeted expenditures for 2008.

Bond/Interest - The need for several City-at-large capital improvement projects will require spending some of the accumulated fund balance. However, the projected fund balance will be 1.61% of the budgeted expenditures.

Guest Tax - Revenues are expected to increase over 2007 receipts, however, projected expenses related to the City's contract with the Lawrence Convention and Visitor's Bureau, the City's two sister cities, and the budgeted increase to the transient guest tax reserve fund exceed that increase. Therefore, a portion of the fund balance will be used to fund expenditures in 2008, leaving the balance at 2.75% of the budgeted expenditures in the fund.

Special Alcohol - The fund balance, while lower than the 2007 level, remains at 4.55% of the budgeted expenditures allowing the City to fulfill the increasing requests from agencies related to alcohol and drug prevention, treatment, and intervention.

Special Gas - The slight increase in revenues for 2008 means a reduction in expenditures. This, coupled with spending down the fund balance in previous years, results in a fund balance of 1.14% in this fund.

Water and Wastewater - A number of water and wastewater capital projects will be financed with cash, resulting in a decrease in projected fund balance from 2007, but at a level of almost 4% of the budgeted expenditures.

Solid Waste - Significant increases in personal services will result in a fund balance of just under 1% of the budgeted expenditures in this fund.

Public Parking - Increased personnel costs associated with operating and maintaining the public parking system result in a projected fund balance of 4.22%.

Storm Water Utility - A slight increase in revenues is projected for 2008, therefore, the projected fund balance will be 4.41% of the budgeted expenditures in this fund.

CITY OF LAWRENCE, KANSAS

PROJECTION OF FINANCIAL CONDITION

FUND	1/1/07 Balance	2007 Revenue	2007 Expenditures	12/31/07 Balance	Percent Fund Balance
General	\$11,083,748	\$54,240,157	\$58,070,229	\$7,253,676	12.49%
Library	157,834	2,859,714	2,950,000	67,548	2.29%
Public Transportation	875,484	846,633	1,512,858	209,259	13.83%
Recreation	351,927	3,271,304	3,473,598	149,633	4.31%
Bond/Interest	7,285,702	7,912,509	11,609,099	3,589,112	30.92%
Guest Tax	288,220	750,000	850,000	188,220	22.14%
Special Alcohol	184,781	550,000	626,899	107,882	17.21%
Special Gas Tax	509,378	2,629,770	2,915,425	223,723	7.67%
Special Recreation	69,670	550,000	585,800	33,870	5.78%
Water / Wastewater	21,146,660	27,330,000	37,647,321	10,829,339	28.77%
Solid Waste	3,276,396	9,083,000	10,851,981	1,507,415	13.89%
Public Parking	606,593	880,000	1,152,174	334,419	29.03%
Storm Water Utility	1,950,782	2,850,000	4,020,314	780,468	19.41%
Public Golf	(10,180)	1,000,000	1,004,303	(14,483)	-1.44%
TOTAL	\$47,776,995	\$114,753,087	\$137,270,001	\$25,260,081	18.40%

FUND	1/1/08 Balance	2008 Revenue	2008 Expenditures	12/31/08 Balance	Percent Fund Balance
General	\$7,253,676	\$55,139,037	\$59,511,384	\$2,881,329	4.84%
Library	67,548	2,958,299	3,021,000	4,847	0.16%
Public Transportation	209,259	1,365,406	1,550,846	23,819	1.54%
Recreation	149,633	3,445,508	3,590,612	4,529	0.13%
Bond/Interest	3,589,112	8,320,043	11,720,000	189,155	1.61%
Guest Tax	188,220	820,799	982,000	27,019	2.75%
Special Alcohol	107,882	575,000	653,154	29,728	4.55%
Special Gas Tax	223,723	2,660,391	2,851,711	32,403	1.14%
Special Recreation	33,870	575,000	597,400	11,470	1.92%
Water / Wastewater	10,829,339	30,420,000	39,685,414	1,563,925	3.94%
Solid Waste	1,507,415	9,600,000	11,003,901	103,514	0.94%
Public Parking	334,419	915,000	1,198,844	50,575	4.22%
Storm Water Utility	780,468	2,877,000	3,503,149	154,319	4.41%
Public Golf	(14,483)	1,009,000	972,940	21,577	2.22%
TOTAL	\$25,260,081	\$120,680,483	\$140,842,355	\$5,098,209	3.62%

CITY OF LAWRENCE, KANSAS

SUMMARY OF OUTSIDE AGENCY FUNDING ALLOCATIONS

GENERAL OPERATING FUND	Budget 2007	Request 2008	Req. vs. 07 Budget	City Manager Rec. 08	Approved Budget
Ballard Community Center	7,500	20,000	166.67%	7,500	7,500
Bert Nash (WRAP)	250,000	250,000	0.00%	0	0
Biosciences Initiatives	200,000	200,000	0.00%	200,000	200,000
Boys & Girls Club of Lawrence	143,722	143,722	0.00%	143,722	143,722
Douglas County CASA, Inc.	20,000	20,000	0.00%	20,000	20,000
Douglas County Legal Aid	40,000	40,000	0.00%	40,000	40,000
Douglas County Visitation Center	7,500	7,500	0.00%	7,500	7,500
Downtown Lawrence*	47,500	47,000	-1.05%	47,000	47,000
ECO2 Operations*	10,000	8,750	-12.50%	8,750	8,750
Ecumenical Minister's Fellowship	5,000	6,500	30.00%	5,000	5,000
Health Care Access-Pharmacy	28,000	28,840	3.00%	28,000	28,000
Homeless Task Force Rc.					
Bert Nash City Homeless Outreach Team		164,000		164,000	164,000
Community Cooperation Committee		3,000		3,000	3,000
Salvation Army		11,000		11,000	11,000
Lawrence Community Shelter		9,000		9,000	9,000
subtotal	209,000	187,000	-10.53%	187,000	187,000
Housing & Credit Counseling	19,000	29,626	55.93%	19,000	19,000
Jayhawk Area Agency on Aging	7,830	7,830	0.00%	7,830	7,830
Juneteenth Celebration	5,000	-	-100.00%	0	0
Lawrence Arts Center	95,000	120,000	26.32%	95,000	95,000
Lawrence Chamber of Commerce	145,000	195,000	34.48%	195,000	195,000
Lawrence Humane Society	267,000	267,000	0.00%	\$267,000	\$267,000
The Leo Center	-	36,000	NA	0	0
Salvation Army	30,000	30,000	0.00%	30,000	30,000
The Shelter, Inc.	34,737	34,737	0.00%	34,737	34,737
Van Go Mobile Arts	35,000	35,000	0.00%	35,000	35,000
Warm Hearts	6,000	6,000	0.00%	6,000	6,000
Women's Transitional Care Serv.	6,000	6,000	0.00%	6,000	6,000
Total	\$ 1,618,789	\$ 1,726,505	6.65%	\$ 1,390,039	\$ 1,390,039

*City Commission may want to consider changing vendor for downtown support

** City Commission may want to consider support through "in-kind" services rather than funding.

The General Fund is supported by property tax, sales tax, franchise fees, user fees, fines and misc. sources.

See Section B for more information.

GUEST TAX FUND	Budget 2007	Request 2008	Req. vs. 07 Budget	City Manager Rec. 08	Approved Budget
Convention & Visitors Bureau	\$789,250	\$820,000	3.90%	\$820,000	\$820,000
Transient Guest Tax Reserve Fund	48,750	150,000	207.69%	150,000	150,000
Sister Cities Advisory Board	12,000	12,000	0.00%	12,000	12,000
Total	\$850,000	\$982,000	15.53%	\$982,000	\$982,000

The Guest Tax Fund is supported by the 5% Guest Tax. See Section C for more information.

LIBRARY FUND	Budget 2007	Request 2008	Req. vs. 07 Budget	City Manager Rec. 08	Approved Budget
Lawrence Public Library	\$2,950,000	\$3,160,000	7.12%	\$3,021,000	\$3,021,000

The Library Fund is supported by property tax and motor vehicle taxes. See Section D for more information.

CITY OF LAWRENCE, KANSAS

SUMMARY OF OUTSIDE AGENCY FUNDING ALLOCATIONS

SPECIAL RECREATION FUND	Budget 2007	Request 2008	Req. vs. 07 Budget	City Manager Rec. 08	Approved Budget
Lawrence Arts Center Scholarship	\$25,000	\$25,000	0.00%	\$25,000	\$25,000
Arts Commission	23,400	27,000	15.38%	25,500	25,500
Total	\$48,400	\$52,000	7.44%	\$50,500	\$50,500

The Special Recreation Fund is supported by the Liquor Tax. See Section I for more information.

SPECIAL ALCOHOL FUND	Budget 2007	Request 2008	Req. vs. 07 Budget	Adv Bd Rec 2008	Approved Budget	
Ballard Community Center	15,000	25,000	66.67%	15,000	15,000	P
Bert Nash (WRAP)	100,000	120,000	20.00%	96,000	0	P
Big Brothers/Big Sisters CORE	30,000	40,366	34.55%	30,000	30,000	P
Boys & Girls Club of Lawrence	100,000	106,278	6.28%	100,000	100,000	P
DCCCA	79,819	79,819	0.00%	79,819	79,819	T
DCCCA d/b/a First Step House	29,150	29,150	0.00%	29,150	29,150	T
DCCCA Com. Coord.	19,380	18,435	-4.88%	18,435	18,435	C
Headquarters, Inc - First Call	23,750	23,750	0.00%	23,750	23,750	I
Hearthstone	7,500	10,000	33.33%	7,500	7,500	T
KU-Organizations and Activities	25,000	30,000	20.00%	25,000	0	P
Lawrence Community Shelter	30,000	33,000	10.00%	30,000	30,000	I
Lawrence Memorial Hospital	40,000	50,000	25.00%	50,000	0	T
Lawrence Memorial Hospital	0	20,000		10,000	0	I
Lawrence Police Department		224,122		0	0	
Lawrence Public Schools	60,000	137,536	129.23%	69,090	0	P
Pelathe Community Resource Center	25,000	25,000	na	0	0	P
Van Go Mobile Arts, Inc.	40,300	47,500	17.87%	47,500	47,500	P
Women's Transitional Care Services	17,000	17,000	na	17,000	17,000	P
Total	\$641,899	\$1,036,956	61.55%	\$648,244	\$398,154	

The Special Alcohol Fund is supported by the Liquor Tax. See Section G for more information.

CITY OF LAWRENCE, KANSAS MAJOR FUND PROJECTIONS

General Fund

Revenues	2005	2006	2007	2008	2009
Property Taxes	\$12,517,532	\$12,850,552	\$13,356,607	\$13,564,252	\$14,242,465
Franchise Fees	3,754,184	3,986,982	4,660,000	4,893,000	5,137,650
Sales Taxes	21,318,108	21,733,540	21,908,500	22,675,298	23,468,933
State Transfers	710,932	685,315	700,000	715,000	720,000
Licenses & Permits	1,082,191	1,128,746	950,000	978,500	1,007,855
Fines	2,637,320	2,455,620	2,400,000	2,500,000	2,600,000
User Fees	683,000	891,505	864,894	890,841	917,566
Interest	1,087,618	1,554,141	1,300,000	1,000,000	800,000
Other	3,369,533	3,788,914	4,150,000	4,615,000	4,753,450
Transfers	1,595,525	1,645,662	3,025,600	3,176,880	3,335,724
TOTAL REVENUES	\$48,755,943	\$50,720,977	\$53,315,601	\$55,008,770	\$56,983,643

Expenditures	2005	2006	2007	2008	2009
City Commission	68,674	73,841	67250		
City Manager	309,803	491,569	524083		
Public Information	77,141	130,941	140551		
Planning	863,892	1,103,204	1160656		
Human Relations	247,031	295,365	230183		
City Clerk	152,370	152,795	213729		
Personnel	449,767	542,192	581228		
Risk Management	1,074,744	522,024	522756		
Finance	320,599	318,075	332764		
Overhead	2,465,094	2,679,488	3078413		
Transfers	7,629,766	9,213,255	7272669		
Information Systems	884,680	904,905	939276		
Legal	628,170	926,147	667454		
Court	607,577	636,117	657246		
Police	11,503,849	12,959,791	13958739		
Fire	10,670,263	12,034,979	12377754		
Health	847,499	931,208	999325		
Streets	1,963,040	3,116,260	2698760		
Engineering	704,205	726,984	891990		
Traffic	550,794	575,282	604775		
Airport	72,300	84,464	106059		
Building	711,309	833,456	921078		
Street Lights	497,148	551,240	610000		
Levee	116,903	111,760	118822		
Parks & Rec Facilities	2,950,122	3,214,441	3236545		
Building Inspection	839,247	980,326	1073067		
Other Operating	0	0	0		
TOTAL EXPENDITURES	47,205,987	54,110,109	53,625,172	56,562,052	58,824,534

Revenue over Expenditures	1,549,956	(3,389,132)	(309,571)	(1,553,282)	(1,840,892)
Beginning Balance	12,922,924	14,472,880	11,083,748	10,774,177	9,220,895
End Balance	14,472,880	<u>11,083,748</u>	<u>10,774,177</u>	<u>9,220,895</u>	<u>7,380,004</u>

20.48% 20.09% 16.30% 12.55%

Assumptions

no mill levy increase in 2008; 3% growth in 2008 AV, 5% in 2009 AV; 5% estimated annual growth in franchise fees; 3.5% growth in sales tax; 3% growth in licenses and permits; 3% growth in user fees; Lower interest rates and balances in 08 and 09; Ambulance reimb. 11% increase in 2008; 3% increase in 2009; 5% growth in transfers from other funds

2008 expenditures are 97% of budget; 4% growth in expenditures in 2009

CITY OF LAWRENCE, KANSAS

MAJOR FUND PROJECTIONS

Bond and Interest Fund

Revenues	2006	2007	2008	2009
Property Taxes	5,434,025	5,680,000	5,850,400	6,142,920
Motor Vehicle Taxes	515,094	500,000	515,000	540,750
In Lieu Taxes	20,784	12,500	15,000	15,000
Special Assessments	1,497,275	1,700,000	1,700,000	1,700,000
Reimbursements	179,744	-	-	-
Interest	497,985	550,000	300,000	250,000
Rents	126,042	100,000	100,000	100,000
Transfers	3,212	-	-	-
TOTAL REVENUE	8,274,161	8,542,500	8,480,400	8,748,670

Expenditures	2006	2007	2008	2009
Principal	6,639,044	7,570,000	7,750,000	7,900,000
Interest	2,119,620	2,535,000	2,600,000	2,800,000
TOTAL EXPENDITURES	8,758,664	10,105,000	10,350,000	10,700,000

Revenue over Expenditures	(484,503)	(1,562,500)	(1,869,600)	(1,951,330)
Beginning Balance	7,770,250	7,285,747	5,723,247	3,853,647
End Balance	<u>7,285,747</u>	<u>5,723,247</u>	<u>3,853,647</u>	<u>1,902,317</u>

Assumptions

No levy incr, 3% incr in 2008 AV; 5 % in 2009 AV; lower interest rates and balances in 2009

Transportation Fund

Revenues	2006	2007	2008	2009
Property Taxes	500,165	635,000	1,230,000	1,291,500
Motor Vehicle	98,944	45,343	54,105	85,000
In-lieu	1,864	1,340	1,500	1,500
Reimbursements	42,982	150	-	-
Service Charges	181,641	185,000	312,300	321,669
TOTAL REVENUES	825,596	866,833	1,597,905	1,699,669

Expenditures	2006	2007	2008	2009
Transportation	1,354,785	1,512,858	1,747,423	1,887,217
TOTAL EXPENDITURES	1,354,785	1,512,858	1,747,423	1,887,217

Revenue over Expenditures	(529,189)	(646,025)	(149,518)	(187,548)
Beginning Balance	1,404,674	875,485	229,460	79,942
End Balance	<u>875,485</u>	<u>229,460</u>	<u>79,942</u>	<u>(107,606)</u>

Assumptions

2008 levy increase - .425 mills, 3% increase in AV for 2008; .52 levy increase in 2009, 5% increase in AV for 2009; increased rates in 2007, services charges increase 3% in 09 over 08

98% of budgeted expenditures in 2007, 2008, 2009; 0.46% growth in 2008; 24% growth in 2009

CITY OF LAWRENCE, KANSAS

MAJOR FUND PROJECTIONS

Library Fund

Revenues	2006	2007	2008	2009
Property Taxes	2,514,136	2,650,000	2,729,500	2,865,975
Motor Vehicle	237,098	232,000	238,960	250,908
In-lieu	9,626	5,854	5,800	5,800
TOTAL REVENUES	2,760,860	2,887,854	2,974,260	3,122,683

Expenditures	2006	2007	2008	2009
Library	2,759,000	2,950,000	3,021,000	3,141,840
TOTAL EXPENDITURES	2,759,000	2,950,000	3,021,000	3,141,840

Revenue over Expenditures	1,860	(62,146)	(46,740)	(19,157)
Beginning Balance	155,974	157,834	95,688	48,948
End Balance	<u>157,834</u>	<u>95,688</u>	<u>48,948</u>	<u>29,791</u>

Assumptions

No levy increase, 3% incr in 2008 AV, 5% increase in 09 AV; 4% increase in expenditures in 08 and 09

Recreation Fund

Revenues	2006	2007	2008	2009
Property Taxes	314,691	405,000	417,150	438,008
Motor Vehicle	28,741	29,000	29,870	31,364
In-lieu	1,197	900	900	900
Service Charges	1,416,282	1,411,350	1,439,577	1,468,369
Transfer	1,400,000	1,400,000	1,400,000	1,400,000
Total Revenue	3,160,911	3,246,250	3,287,497	3,338,641

Expenditures	2006	2007	2008	2009
Recreation	3,297,544	3,339,320	3,482,894	3,622,209
TOTAL EXPENDITURES	3,297,544	3,339,320	3,482,894	3,622,209

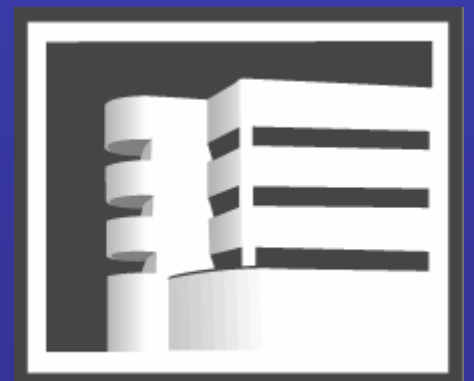
Revenue over Expenditures	(136,633)	(93,070)	(195,397)	(283,568)
Beginning Balance	488,560	351,927	258,857	63,460
End Balance	<u>351,927</u>	<u>258,857</u>	<u>63,460</u>	<u>(220,108)</u>

Assumptions

No increase in levy, 3% increase in 2008 AV, 5% increase in 09 AV; 97% of 07 expend., 97% of 08 expend., 97% of 09 expend.; 4% growth in 2008 and 2009

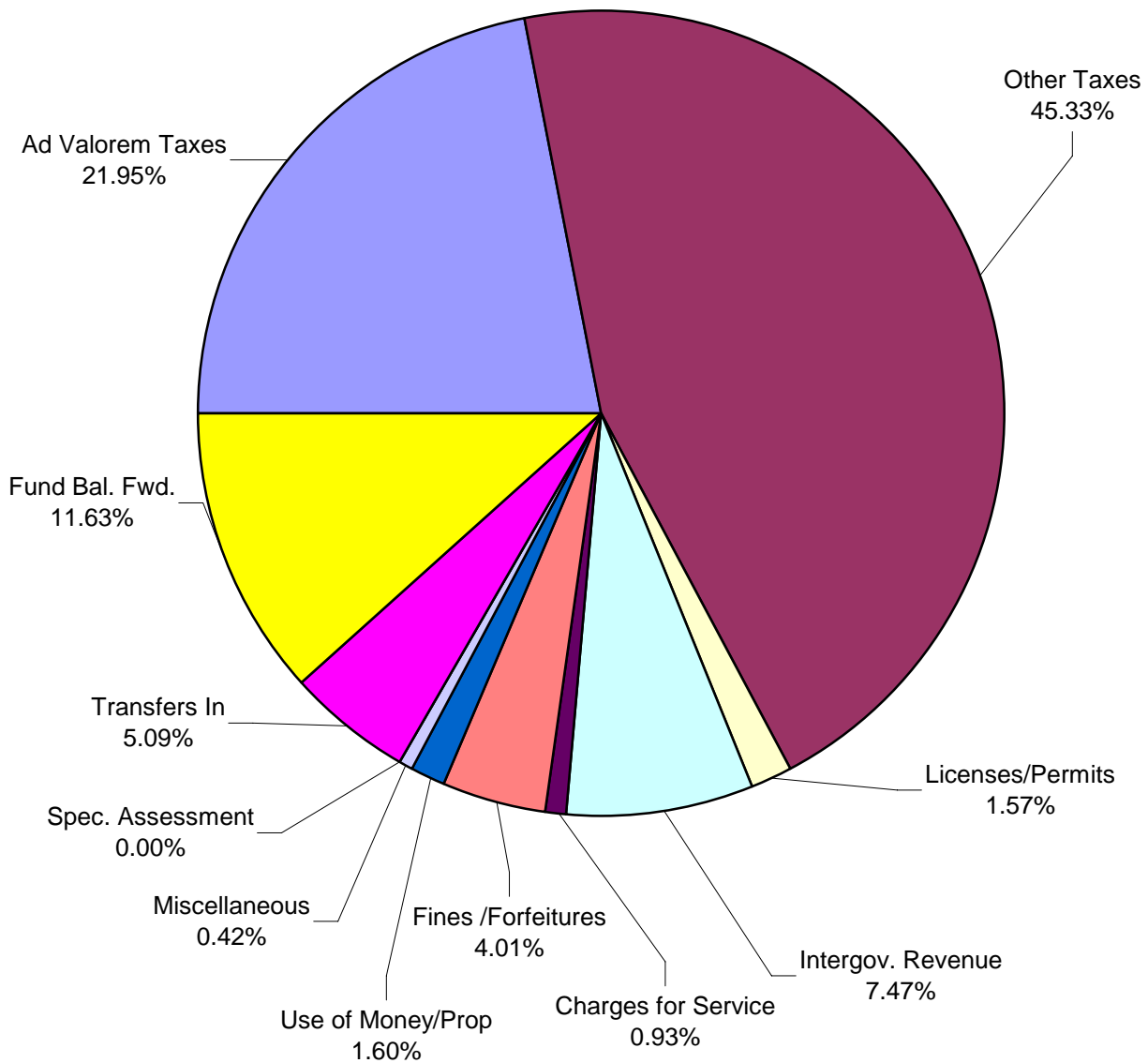


City of Lawrence, Kansas
General Operating Fund



GENERAL OPERATING FUND

**2008 General Operating Fund
Resources by Classification:
Total - \$62,392,713**



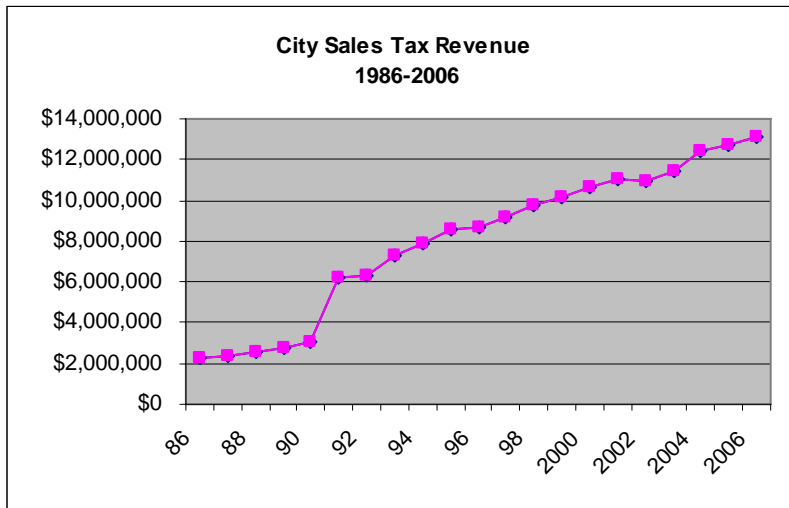
Fund 001 – General Operating

RECEIPTS	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
Ad Valorem - Current Taxes	\$ 11,391,984	\$ 11,864,000	\$ 11,864,000	\$ 12,286,000
Ad Valorem - Delinquent Taxes	187,051	200,000	200,000	200,000
Motor Vehicle Taxes	1,149,144	1,077,876	1,077,876	1,078,251
Payment In Lieu of Tax	120,862	28,731	28,731	133,000
Franchise Fees	3,986,982	4,500,000	4,500,000	4,893,000
Local Sales Tax / Use Tax	13,146,915	13,800,000	13,800,000	13,599,989
County - Wide Sales Tax / Use Tax	8,586,625	9,250,000	9,250,000	9,075,309
Special Liquor Tax	543,415	550,000	550,000	575,000
Highway Commission	141,900	142,000	142,000	140,000
Douglas Co. - Medical	3,338,357	3,731,013	3,731,013	4,238,055
Douglas Co. - Health Dept.	180,589	207,753	207,753	181,050
Licenses	221,465	230,000	230,000	178,500
Permit/Inspections	907,282	850,000	850,000	800,000
Fines and Forfeits	2,455,620	2,750,000	2,750,000	2,500,000
Township Fire Levy	45,000	35,000	35,000	45,000
Contractor Licensing Fees	-	108,000	108,000	100,000
Engineering Fees	301,901	200,000	200,000	200,000
Douglas Co. - Planning /Personnel	191,485	225,184	225,184	239,003
Lots and Foundation Charges	123,627	65,000	65,000	100,000
Burial	14,804	45,000	45,000	15,000
Kaw Drainage District	20,000	20,000	20,000	20,000
Interest on Investments	1,554,141	1,000,000	1,000,000	1,000,000
Other Charges	111,855	100,000	100,000	100,000
Miscellaneous	354,311	235,000	235,000	265,000
Transfers In	1,645,662	3,025,600	3,025,600	3,176,880
TOTAL REVENUES	50,720,977	54,240,157	54,240,157	55,139,037
Balance, January 1	14,472,880	6,665,806	11,083,748	7,253,676
TOTAL RESOURCES AVAILABLE	\$ 65,193,857	\$ 60,905,963	\$ 65,323,905	\$ 62,392,713
TOTAL EXPENDITURES	54,110,109	58,070,229	58,070,229	59,511,384
FUND BALANCE	11,083,748	2,835,734	7,253,676	2,881,329

Fund 001 – General Operating

Major Revenue Source – Descriptions, Assumptions, and Trends

The General Fund relies on revenues from a variety of sources to provide for the operations of the twenty-six departments/divisions that are budgeted from this fund. Early in the budget process, revenues for the General Fund are analyzed based on the actual receipts from the previous year. Adjustments then might be made to the current year's revenue estimates, and projections are made for the next fiscal year. The following revenue descriptions, assumptions, and trends are provided for some of the most significant revenue sources for the General Fund.



Sales Tax

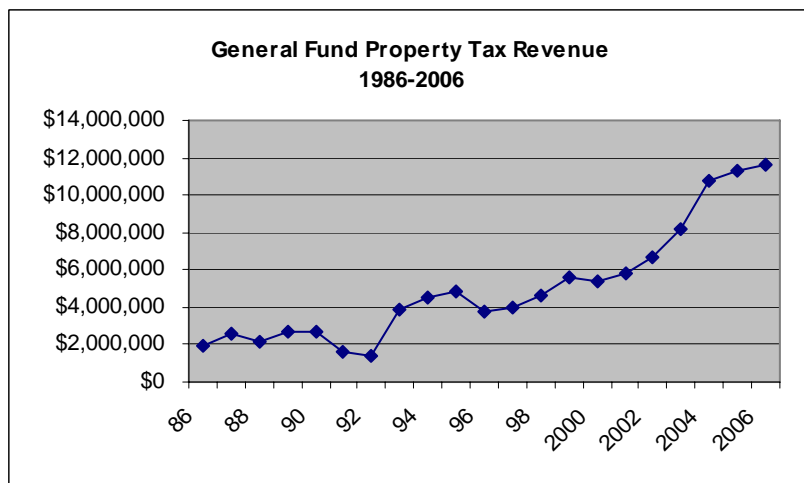
The City of Lawrence General Fund receives forty-one percent (41%) of its revenue from sales tax. The City receives revenue from two sources of sales tax: a City-wide sales tax of one percent, all of which goes to the City of Lawrence and a share of the one percent County-wide sales tax.

A city retailer's sales tax of 0.5% was instituted July 1, 1971, followed by an additional 0.5% that went into effect October 1, 1990. This one percent city retailer's sales tax has followed an

upward swing throughout the last two decades (through 2006), as evidenced by the graph.

We are predicting modest growth in city sales tax for 2008 over 2006 actual receipts. However, consumer spending was slower than expected in the first half of 2007. Our 2008 budget (\$13,599,989) reflects that slow down and is slightly below 2007 budget.

The County-wide sales tax of one percent was approved in a November, 1994 election and became effective in 1995. We are budgeting \$9,075,309 in revenue for 2008 from the City's share of the county-wide sales tax, which represents an increase over the actual receipts for 2006 (\$8,586,625.) Assumptions behind this amount are related to a conservative approach to this somewhat unpredictable revenue source.



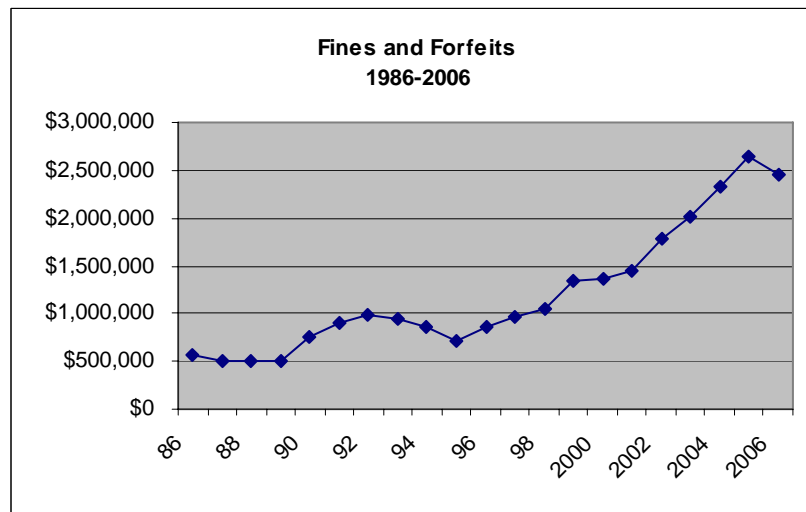
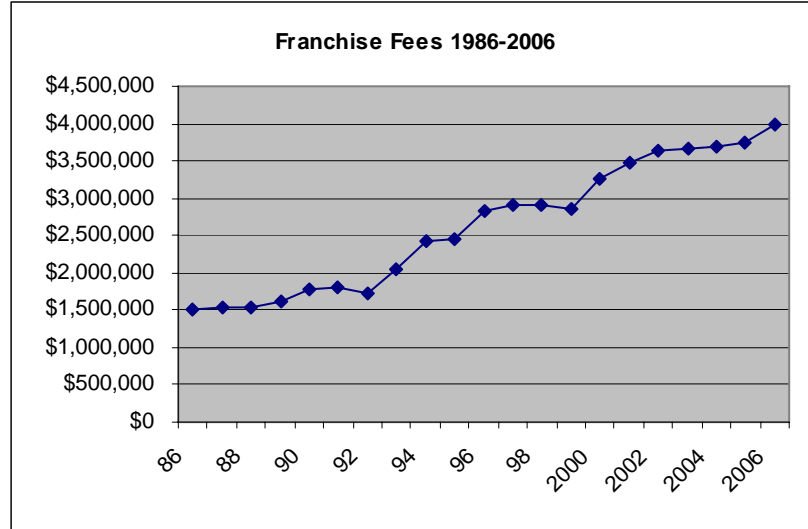
Property Tax

Twenty-three percent (23%) of the 2008 General Fund revenues are estimated to come from ad valorem property taxes. A graph depicting General Fund property tax revenue from 1986-2006 is shown above. To generate the \$12,691,438 in property tax revenue needed for the 2008 budget, a mill levy of 14.869 is required, which is equal to the mill levy required for the 2007 budget. The 2008 assessed valuation is \$853,551,473, which represents a 3.5% increase over last year. This increase is less than the 6-8% growth in the assessed valuation that Lawrence has experienced in previous years.

The mill levy revenue for the General Fund will provide funding for increased operating costs for those departments supported by the General Fund, including rising costs for utilities, fuel, coverage for employee health care benefits, increased costs for materials for equipment repairs, facility repairs etc. Infrastructure maintenance, specifically for our street and curb system, is another service level that relies on funding from the mill levy revenue.

Franchise Fees

These fees, which the City charges to allow utilities to provide services within the city and to locate within the public right-of-way have shown gradual increases over the past two decades.



Pursuant to Commission direction, franchise agreements with investor owned utilities have been adjusted to move franchise fees to a 5% level for electricity, cable, gas, and telecommunications. This, in addition to an expectation of growth in gross receipts, translates to an increase in 2008 revenue (\$4,893,000) over the 2006 actual receipts (\$3,986,982).

Fines and Forfeits

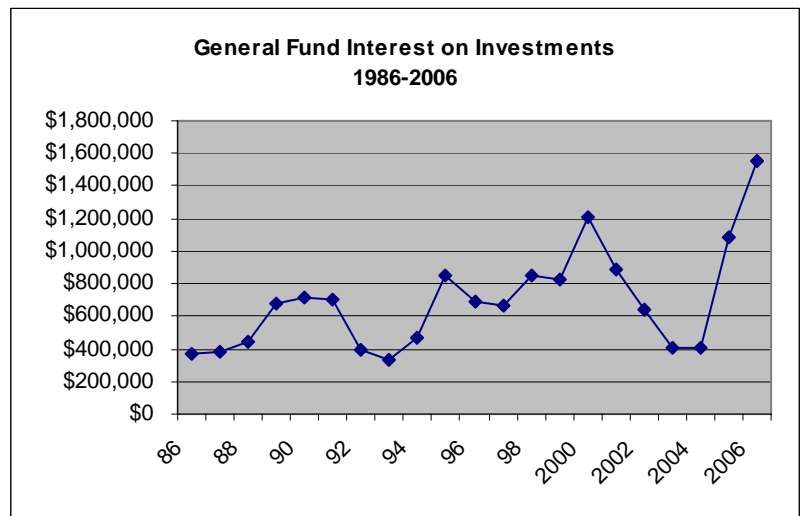
The graph shows this revenue source has almost tripled from \$971,397 in 1996 to \$2,455,620 in 2006. A slight slow down in 2006 and the first half of

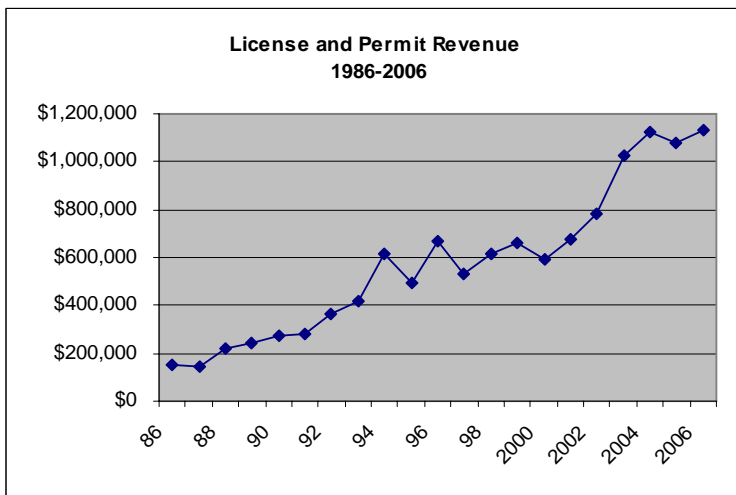
2007 are reflected in the 2008 budgeted amount (\$2,500,000.)

General Fund Interest on Investments

This revenue source was impacted by the economic downturn in the earlier part of this decade. As interest rates fell, so did the revenue generated from the City's investments. The graph shows the relative volatility of this revenue source and illustrates the up and down trend for the past twenty years.

This volatility is reflected in the 2008 budget (\$1,000,000), which is the same as 2007 budget.

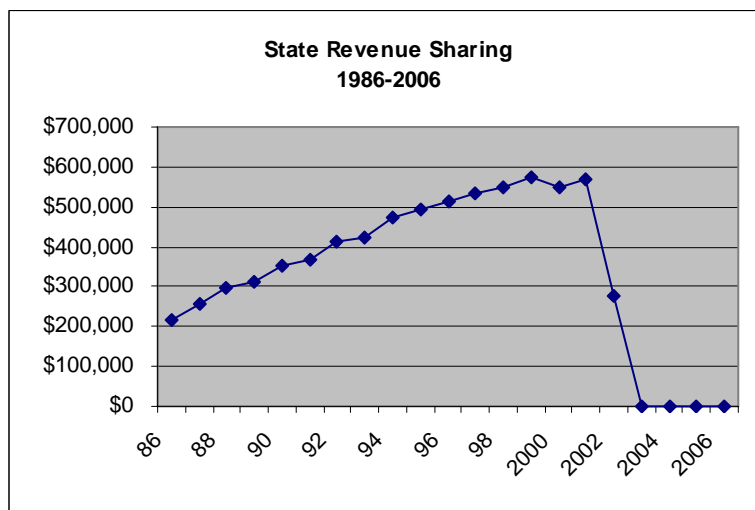




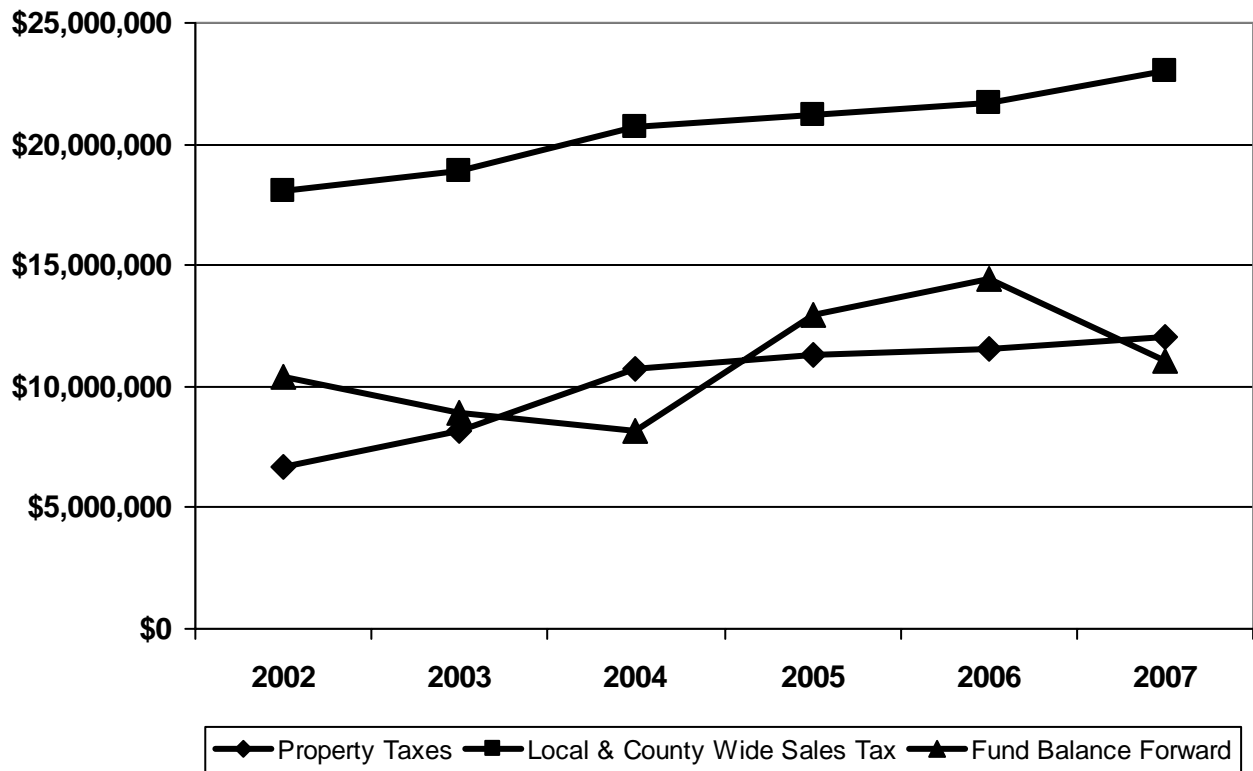
Licenses and Permits/Inspections Revenue
 Although the graph that illustrates the trends for this revenue source over the past two decades indicates steady increases from 1988 through 1993, revenues have fluctuated considerably since 1993. That fluctuation has prompted us to project a slight decrease from 2006 actual receipts (\$1,128,747) to \$978,500 in 2008.

State Revenue Sharing

We are projecting no revenue again in 2008 for this revenue source due to the fact that the state eliminated demand transfers in 2003. The graph below depicts modest growth over the past twenty years but the current State budget issues lead to projections that do not include restoration of the state demand transfers.

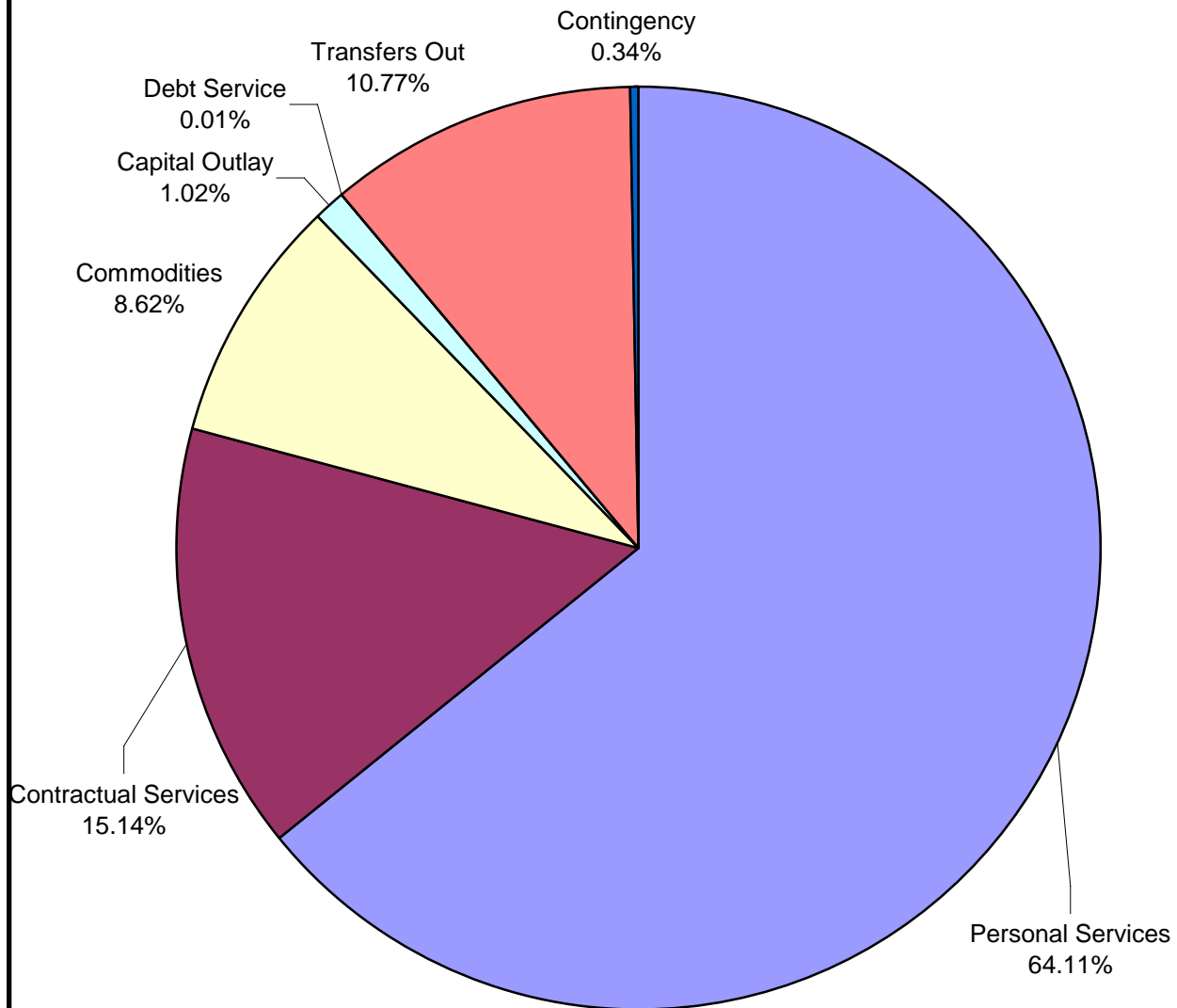


Major Revenue Sources 2002-2007

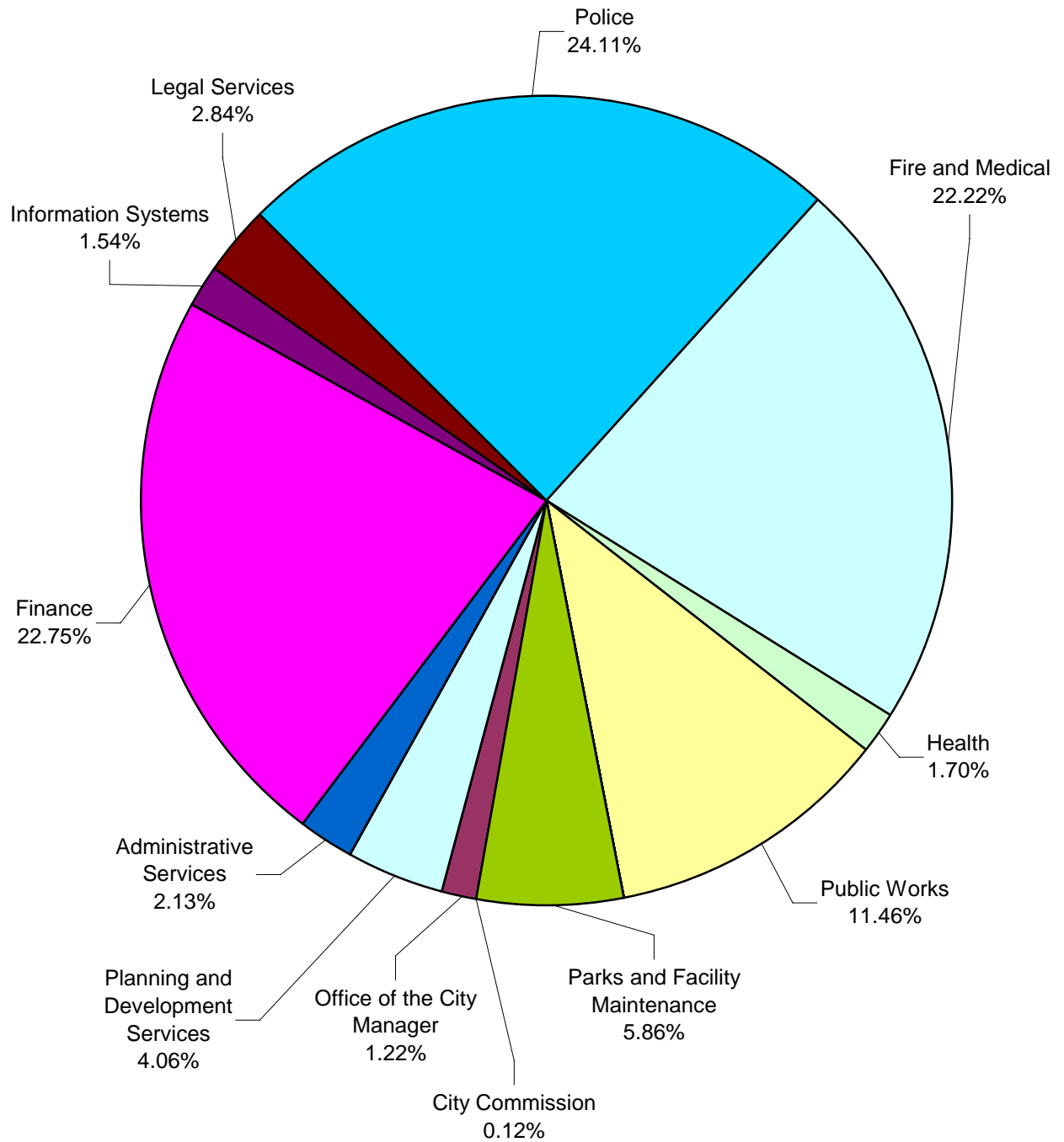


	2002	2003	2004	2005	2006	2007
Ad Valorem Property Tax	6,662,160	8,189,792	10,734,173	11,277,358	11,579,035	12,064,000
Local & County Wide Sales Tax	18,099,133	18,893,836	20,740,305	21,318,108	21,733,540	23,050,000
Fund Balance Forward	10,374,335	8,919,482	8,164,583	12,922,924	14,472,880	11,083,748

**2008 General Operating Fund
Expenditures by Category:
Total - \$59,511,384**



**2008 General Operating Fund
Expenditures by Department:
Total - \$59,511,384**



Fund 001 – General Operating

SUMMARY OF GENERAL OPERATING FUND EXPENDITURES

Acct. #	Account Title	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
1010	City Commission	\$ 73,841	\$ 71,550	\$ 71,550	\$ 71,550
1020	City Manager	491,568	599,083	599,083	569,412
1025	Public Information	130,941	149,051	149,051	155,865
1030	Planning and Development	1,103,204	1,233,656	1,233,656	1,190,980
1032	Code Enforcement				482,086
1034	Building Inspection / Plan Review				741,041
1050	City Clerk	152,795	223,729	223,729	183,609
1053	Personnel	542,192	648,728	648,728	511,478
1054	Risk Management	522,024	603,011	603,011	571,856
1060	Financial Administration	318,074	342,764	342,764	350,412
1065	General Overhead	2,679,489	3,338,165	3,338,165	3,068,614
1068	Transfers	9,213,255	9,582,669	9,582,669	10,119,889
1070	Information Systems	904,905	969,276	969,276	916,860
1080	City Legal Services	926,147	787,454	787,454	707,998
1085	Human Relations	295,365	315,183	315,183	290,468
1090	Municipal Court / Prosecutor's Office	636,117	690,346	690,346	691,135
2100	Police	12,959,791	14,045,739	14,045,739	14,346,191
2200	Fire and Medical	12,034,979	12,699,754	12,699,754	13,222,466
2500	Health Department	931,208	1,034,075	1,034,075	1,010,583
3000	Street Maintenance	3,116,260	2,718,760	2,718,760	3,383,778
3100	Engineering	726,984	951,990	951,990	970,031
3200	Traffic Engineering	575,282	642,775	642,775	632,180
3300	Airport Maintenance	84,464	113,559	113,559	126,177
3400	Building Maintenance	833,456	981,078	981,078	932,735
3600	Street Lights	551,240	610,000	610,000	630,000
3700	Levee Maintenance	111,760	118,822	118,822	146,156
4500	Parks / Facility Maintenance	3,214,442	3,427,945	3,427,945	3,487,834
6300	Neighborhood Resources*	980,326	1,171,067	1,171,067	-
	TOTAL EXPENDITURES	\$ 54,110,109	\$ 58,070,229	\$ 58,070,229	\$ 59,511,384

Fund 001 – General Operating

A detailed description of the expenditures, personnel, mission, goals, objectives, and performance measures for each department funded in the General Operating Fund can be found on the following pages:

DEPARTMENT	PAGE NUMBER
City Commission	B-12
Office of the City Manager	
▪ City Manager's Office	B-14
▪ Public Information	B-16
Planning and Development Services	
▪ Planning and Development	B-18
▪ Code Enforcement	B-20
▪ Building Safety / Plan Review	B-22
Administrative Services	
▪ City Clerk	B-24
▪ Personnel	B-26
▪ Risk Management	B-28
Finance	
▪ Financial Administration	B-30
▪ General Overhead	B-32
▪ Transfers	B-33
Information Systems	B-34
Legal Services	
▪ City Legal Services	B-36
▪ Human Relations	B-38
▪ Municipal Court / Prosecutor's Office	B-40
Police	B-42
Fire and Medical	B-44
Health Department	B-46
Public Works	
▪ Street Maintenance	B-48
▪ Engineering	B-50
▪ Traffic Engineering	B-52
▪ Airport Maintenance	B-54
▪ Building Maintenance	B-56
▪ Street Lights	B-59
▪ Levee Maintenance	B-60
Parks / Facility Maintenance	B-62

General Operating Fund

City Commission

Account 001-1010-511

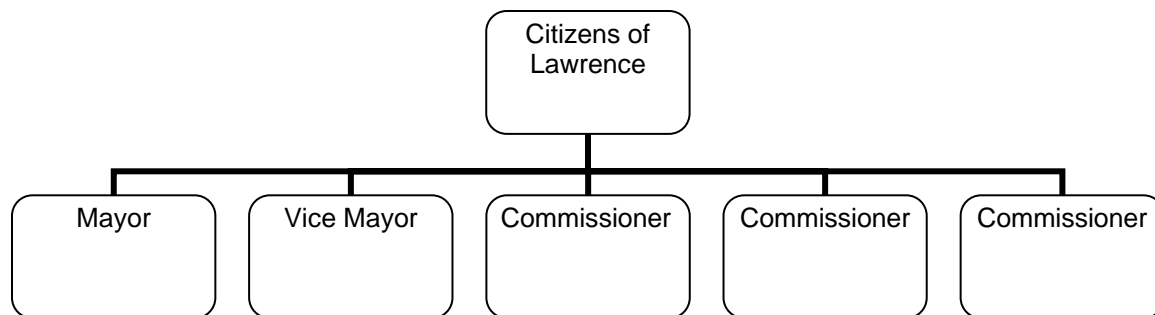
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 50,853	\$ 52,950	\$ 52,950	\$ 52,950
Contractual Services	21,479	17,600	17,600	17,600
Commodities	1,509	1,000	1,000	1,000
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 73,841	\$ 71,550	\$ 71,550	\$ 71,550

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	5.0	5.0	5.0	5.0

ORGANIZATIONAL CHART



PROFILE

The **City Commission** is a five-member body which performs the legislative and policy-making functions of the City. Every two years, three citizens are elected at-large. The two candidates receiving the largest number of votes are elected to four-year terms. The third place candidate receives a two-year term. The Commission then selects one of its members to serve as the Mayor, to preside over official meetings and act as the ceremonial head of the City. The mayor receives \$10,000 and each Commissioner receives \$9,000 per year as a salary for their service to the community.

Under the council-manager form of government, the City Commission, as representatives of the people, determine the goals and objectives of the City and policies that shall be followed in attaining those goals and objectives. The Commission appoints a City Manager who is responsible for carrying out their established policies as well as the efficient administration of City services and programs.



PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Survey	2008 Target
Citizen satisfied with quality of life in Lawrence	n/a	84%	TBD
Citizens satisfied with overall quality of City services	n/a	72%	TBD

CURRENT YEAR ACCOMPLISHMENTS

- Continued implementing recommendations to improve Planning and Development Services.
- Renewed emphasis on Economic Development and the achievement of an improved tax base.
- Provided strong direction to seek efficiency and effectiveness in City Services.
- Assessed Downtown safety needs and worked to provide appropriate response.
- Designation of Lawrence as a 2007 All-America City finalist.

MAJOR GOALS AND OBJECTIVES FOR 2008

1. Promote the economic development of Lawrence to provide quality work and business opportunities.
2. Encourage growth that benefits all of our citizens while protecting our environment, neighborhoods and cultural features.
3. Improve the livability of all Lawrence neighborhoods.
4. Provide excellent City services consistent with resources available.

CITY COMMISSION

General Operating Fund

City Manager's Office

Account 001-1020-512

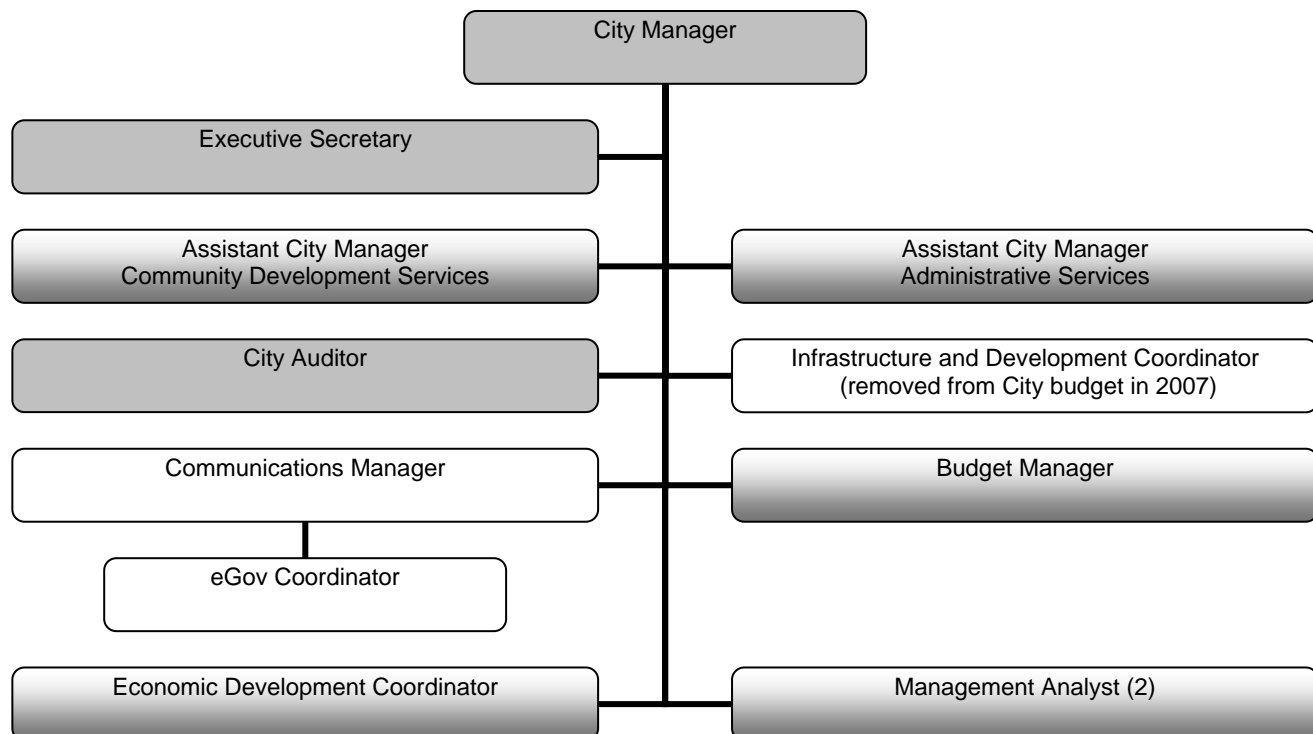
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 420,290	\$ 573,983	\$ 573,983	\$ 541,421
Contractual Services	54,137	20,000	20,000	17,500
Commodities	12,591	5,100	5,100	10,491
Capital Outlay	4,550	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 491,568	\$ 599,083	\$ 599,083	\$ 569,412

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	6	7.5	7.5	6.0

ORGANIZATIONAL CHART



Shading indicates positions funded from this account. Positions partially shaded are funding in more than one account.

PROFILE

The City Manager is the City's Chief Administrative Officer and is responsible for providing efficient, adequate and timely municipal services to the citizens of Lawrence. The City Manager is appointed by and serves at the pleasure of the City Commission. The Commission is responsible for establishing City policies, while the Manager is charged with implementing those policies. To accomplish this task, the City Manager (1) appoints all department heads and subordinate employees of the City based on merit and ability to do the job; (2) ensures that laws and ordinances are enforced; (3) advises the Commission on issues and policies as requested; (4) recommends measures and ordinances to be adopted by the Commission; (5) prepares and submits an annual budget and advises the City Commission on the financial condition of the City; (6) performs other duties prescribed by state or local laws.

Additionally, the City Manager must work in conjunction with many other governmental agencies to ensure efficient operation of the City through use of federal and state grants and through cooperation with the county, townships, special districts, and various boards and commissions. The City Commission's goals are used by the City Manager to set priorities and policy for the staff to achieve and follow. Maintaining service levels that meet the needs of the community and are within the budgetary guidelines set by the City Commission is one of the primary responsibilities of the City Manager.

CURRENT YEAR ACCOMPLISHMENTS

- Participated in City Commission goal setting activity.
- Awarded the GFOA Budget Award for 2007 budget documents.
- Implemented and refined new performance management system.

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Survey	2008 Target
Citizens satisfied with overall quality of City Services	n/a	72%	TBD
Citizens indicating that City employees were courteous and polite	n/a	87%	TBD

MAJOR GOALS AND OBJECTIVES FOR 2008

1. To provide timely and relevant information to the City Commission as is required to assist the Commission in selecting and meeting policy goals and objectives.
2. To enhance the quality of managerial development and excellence.
3. To provide administrative direction and leadership necessary to assure implementation and coordination of all City policies.
4. To facilitate the objective of existing programs and policies in a customer-friendly manner.
5. Maintain quality City services despite economic conditions and diminished resources.

SIGNIFICANT ISSUES FOR 2008

The decrease in personal services for 2008 can be attributed to the elimination of the Infrastructure and Development Coordinator. Funding of part of one of the Assistant City Manager positions was also moved to the Water and Sewer Fund beginning in 2008.

General Operating Fund

Public Information Office

Account 001-1025-512

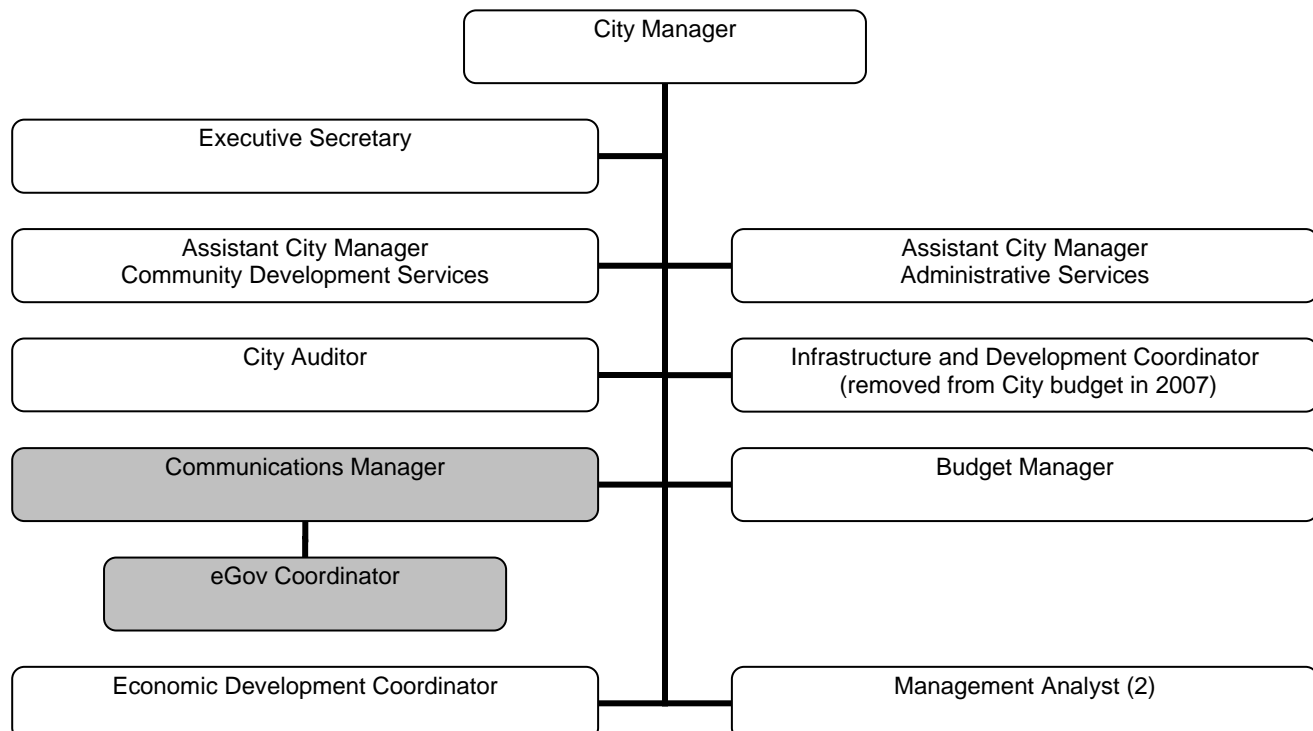
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 107,831	\$ 134,841	\$ 134,841	\$ 141,274
Contractual Services	12,939	10,760	10,760	9,150
Commodities	10,171	3,450	3,450	5,441
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 130,941	\$ 149,051	\$ 149,051	\$ 155,865

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	2.00	2.00	2.00	2.00

ORGANIZATIONAL CHART



Shading indicates positions funded from this account.

PROFILE

The Public Information Office manages the City's media relations, public education activities and communications functions. The focus of the office is to educate audiences about City services and current issues, utilize communication tools that meet the changing communication needs of the Lawrence community and provide feedback opportunities.

The Public Information Office meets these goals by serving as the citywide media relations officer, gathering information, writing and distributing news releases and responding to media queries. The office also provides programming for channel 25 weekly and produces a monthly city news program. External and internal communication activities include developing and producing educational materials, newsletters, articles and advertisements. The Public Information Office also manages the City's web site, including content, technical aspects and development.

CURRENT YEAR ACCOMPLISHMENTS

- Released the first City annual report.
- Produced "The Flame" – the City's annual newsletter.
- Managed the "Share the Road" public education campaign for bicycle/vehicle safety.
- Made many improvements to standardize City department web pages.
- Moved 15 City web sites from a server run by an outside company to a server located in a City facility.
- Created the Neighborhood Resources contractor search application.



PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Survey	2008 Target
Citizens satisfied with info available on City's web site	n/a	54%	60%
Percent of managers rating PIO services as good or excellent	100%	100%	100%

MAJOR GOALS AND OBJECTIVES FOR 2008

1. Provide timely, relevant and informative material to the media.
2. Educate the public about services provided by the City.
3. Expand and enhance the web site, www.lawrenceks.org.
4. Work with departments to support development and expansion of web sites.

SIGNIFICANT ISSUES FOR 2008

The increase in personal services for 2008 can be attributed to merit increases for eligible employees and a 2% general wage adjustment.

PUBLIC INFORMATION OFFICE

General Operating Fund

Planning and Development

Account 001-1030-531

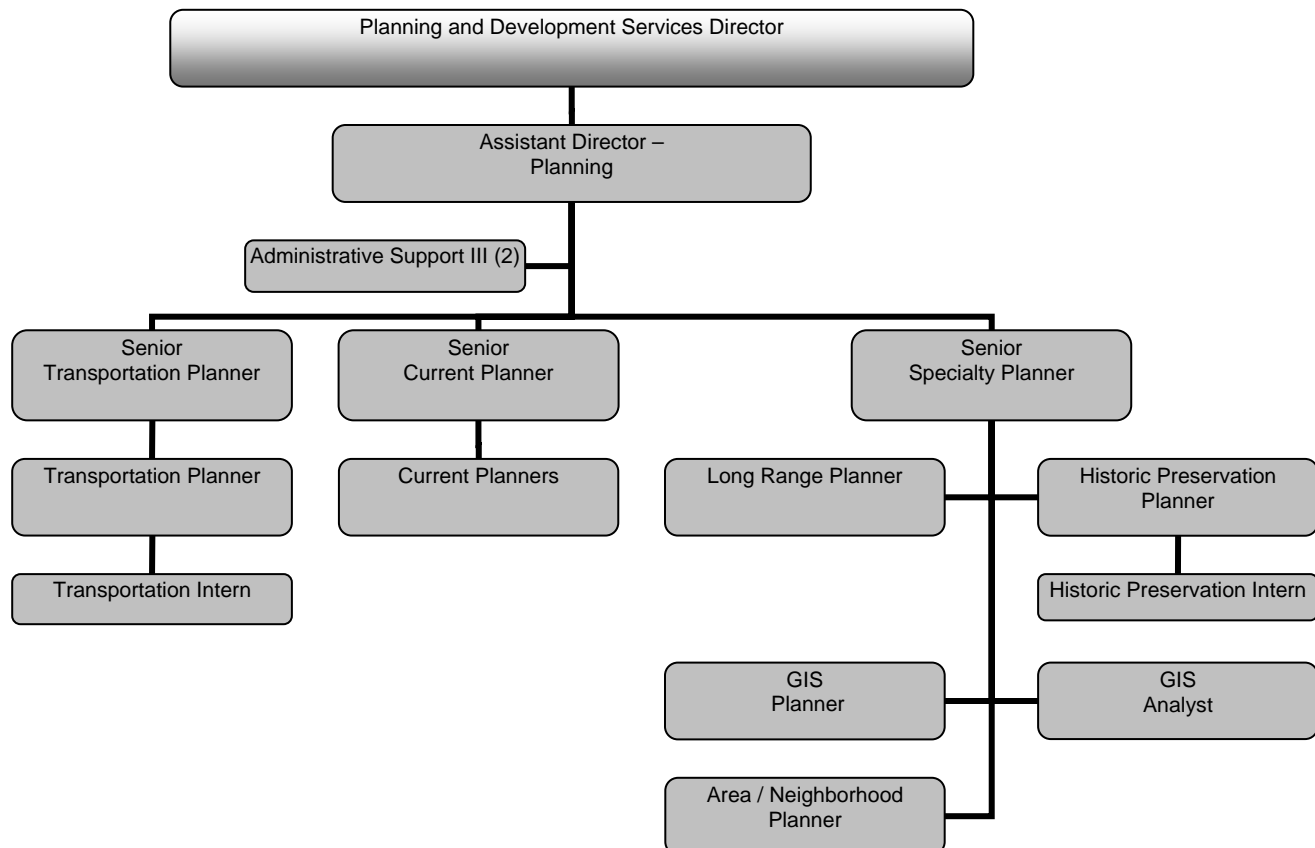
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 914,060	\$ 1,069,056	\$ 1,069,056	\$ 1,064,530
Contractual Services	141,431	116,300	116,300	71,600
Commodities	47,713	40,300	40,300	54,850
Capital Outlay	-	8,000	8,000	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 1,103,204	\$ 1,233,656	\$ 1,233,656	\$ 1,190,980

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	15.2	15.2	15.2	14.9

ORGANIZATIONAL CHART



PROFILE

The Planning Division's primary responsibility is implementation of the Comprehensive Land Use & Transportation Plans through development and administration of regulator tools that include the City & County zoning codes, City/County subdivision regulations, Historic Resources code, Capital Improvements Plan, Transportation Improvement Program, special area plans, and City & County development policies. Although a division of a City department, the County funds 1/6 of the division's budget.

The division's mission is the effective and efficient delivery of services to the community in a timely manner consistent with the adopted land use plans, which includes providing guidance on land use planning principles & practices. Planning staff provides support to: the City & County Commissions; four advisory boards (Lawrence-Douglas County Planning Commission, Historic Resources Commission, Board of Zoning Appeals, Lawrence-Douglas County Bicycle Advisory Committee) and numerous ad hoc committees of these Boards and Commissions.

This division was reorganized in 2007 as part of the Planning & Development Services Department and includes three work groups: Current Planning, Long Range Planning, and Transportation Planning. The Long Range Planning work group includes Long Range, Area/Neighborhood, Historic Resources and GIS/Web focuses.

CURRENT YEAR ACCOMPLISHMENTS

- Implementation of new City/County Subdivision Regulations
- Hosted PlaceMaker's Design Charrette and anticipate adoption of Parallel Traditional Neighborhood Code
- Streamline development review process through adoption of text amendments to Development Code and revisions to process
- Update County zoning regulations
- Adoption of 'Specific Plans' chapter to Horizon 2020
- Presentation of draft Environmental Chapter to Horizon 2020
- Completion of Long Range Transportation Plan – T2030
- Continued participation in CRS rating program which results in reduction in flood insurance rates for community

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
Percent of completed site plan applications approved administratively within 45 days	NA	50%	70%
Percent of completed applications presented to the PC within 60 days	NA	75%	80%
Percent of full commission design reviews presented to HRC within 60 days of completed application	NA	75%	80%
Percent of respondents satisfied with quality of planning/ & development services	NA	32%	75%

MAJOR GOALS AND OBJECTIVES FOR 2008

1. Adoption of land use plans for expected development areas within the Lawrence Urban Growth Area.
2. Implementation of City & County development codes with streamlined review processes.
3. Adoption of updated County zoning regulations.
4. Outreach and education efforts throughout the community.
5. Training and Professional Development for Commissions and Staff.

SIGNIFICANT ISSUES FOR 2008

The decrease in contractual services can be attributed to the Matrix report that was completed in 2007 and not repeated in 2008. Co-location of the merged department and implementation of 'One Stop Shop' efforts to streamline development process will be significant issues.

General Operating Fund

Code Enforcement

Account 001-1032-532

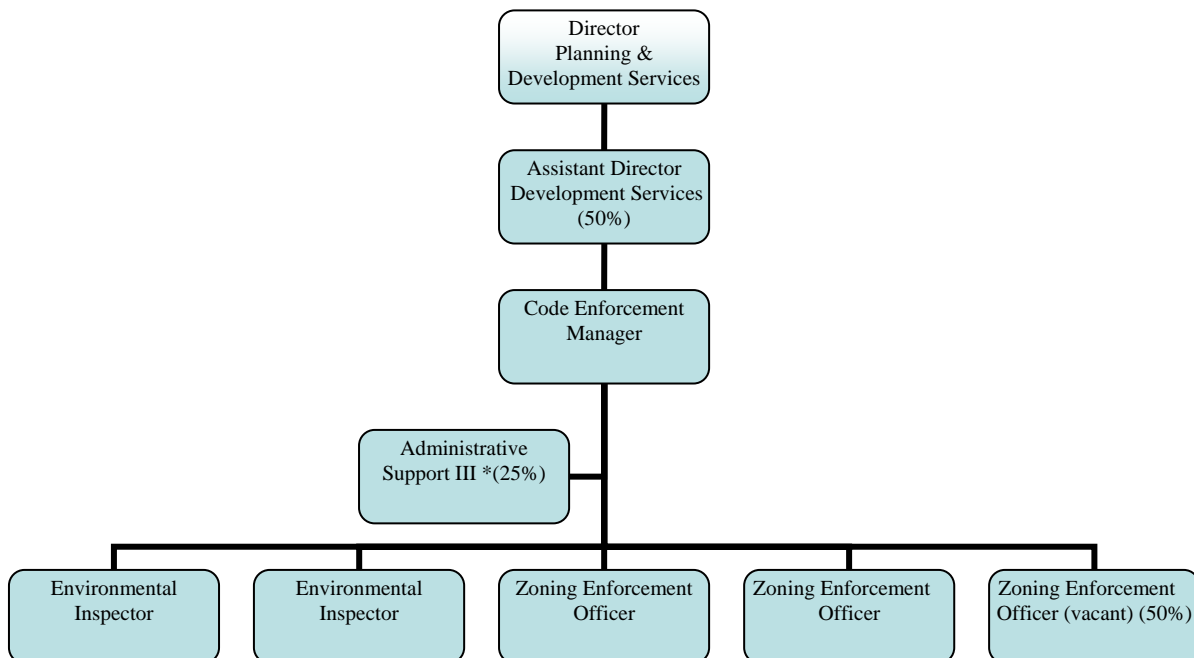
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services				\$ 407,286
Contractual Services				50,850
Commodities				23,950
Capital Outlay				-
Debt Service				-
Transfers				-
Contingency				-
Total	\$ -	\$ -	\$ -	\$ 482,086

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	NA	NA	NA	6.78

ORGANIZATIONAL CHART



*The division inherited 25% of the salary for this position when reorganization occurred.

PROFILE

The primary responsibility of the Code Enforcement Division of the Planning and Development Services Department is to preserve the livability and integrity of residential and commercial districts and prevent deterioration and blighting influences within the community. The Division oversees the rental inspection program, site plan inspections, environmental code, development code, housing code, weed ordinance and the sign code.

The division consists of a professional staff with nationally recognized certifications and continuously strives to provide excellent customer service to the citizens we serve. Our mission is to assure a safe and stable environment through uniform and fair enforcement of all city codes as adopted by the City Commission.

CURRENT YEAR ACCOMPLISHMENTS

- Successfully completed the transition of a separate Code Enforcement Division which has enabled the Department to provide a higher level of customer service to the citizens.
- Staff achievements from the past year include 6 new certifications, including 1 residential mechanical inspector, 1 commercial mechanical inspector, 1 residential plumbing inspector and 2 accessibility inspector/plans examiner certifications. Staff also attended 236 hours of training.
- With the assistance of Information Systems, staff has developed and utilized a tracking system for rental inspections.
- Staff has successfully implemented the amended Disorderly Nuisance House Ordinance and is assigned the lead role in the abatement hearing process.
- Staff participated in the review of the Development Code.

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated or survey	2008 Target
Number of environmental blight inspections	762	800	850
Percent of residents surveyed who are satisfied with the livability of their neighborhood	NA	84%	TBD
Number of structural blight	96	100	110
Number of new rental properties identified	NA	125	150

MAJOR GOALS AND OBJECTIVES FOR 2008

1. The adoption and implementation of the International Code Council Property Maintenance Code.
2. Provide training and professional development for staff which includes all staff obtaining the International Code Council Accessibility Inspector/Plans Examiner certification.
3. Inspect all properties that are rated poor or unsound determined by the Douglas County appraisers' Office and take appropriate enforcement action.
4. Implement and track all repeat violators pertaining to weed/grass ordinance and environmental code to determine appropriate action to be taken.
5. Implement the Onbase Imaging and Scanning software to create an electronic tracking system for all documents pertaining to individual cases.

SIGNIFICANT ISSUES FOR 2008

Continued integration of the Neighborhood Resources and Planning Departments into the Planning and Development Services Department will be a significant issue for 2008.

General Operating Fund

Building Safety/Plan Review

Account 001-1034-534

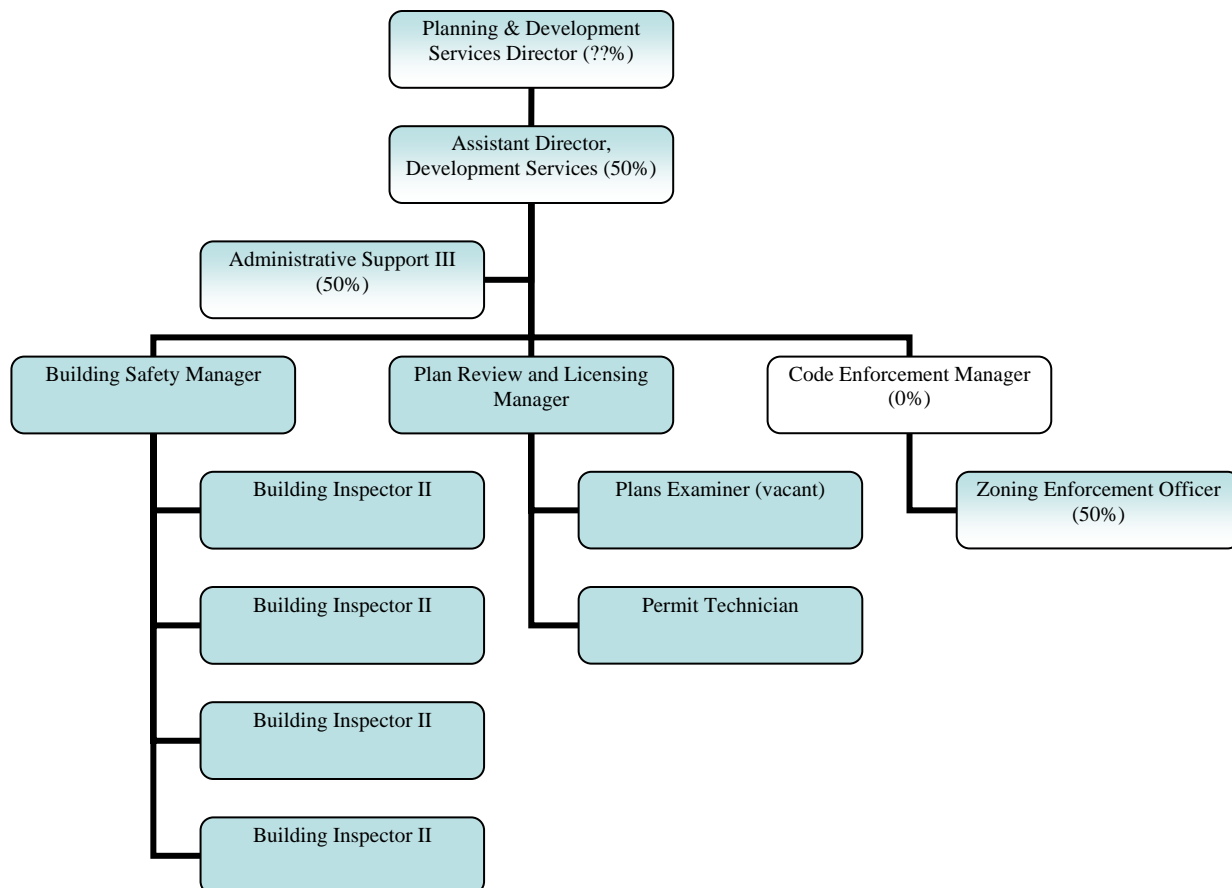
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services				\$ 578,271
Contractual Services				134,860
Commodities				27,910
Capital Outlay				-
Debt Service				-
Transfers				-
Contingency				-
Total	\$ -	\$ -	\$ -	\$ 741,041

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	NA	NA	NA	8.04

ORGANIZATIONAL CHART



PROFILE

The Building Safety Division is responsible for ensuring construction projects are built in accordance with the City's adopted building codes, issuing Certificates of Occupancy, and enforcing trades and contractor licensing regulations.

The Plan Review and Licensing Division is responsible for reviewing plans and applications, issuing building permits, and reviewing license applications and continuing education.

CURRENT YEAR ACCOMPLISHMENTS

Building Safety Division

- Implemented the Inspection Hotline, an Integrated Voice Response system that allows contractors to request inspections by telephone 24/7, and inspectors to result inspections from the jobsite
- Implemented tracking of performance measures for the balanced scorecard report
- Review and adoption of the 2005 National Electrical Code
- Review and adoption of the 2003 Uniform Plumbing Code
- Staff achievements include 12 new inspector certifications, 213 hours of continuing education training, 1 LEAP award, and 1 Heartsaver First-Aid Instructor certification
- Provided Heartsaver First-Aid training for department staff, facilitated by newly certified instructor

Plan Review Division

- Made numerous upgrades to the department website, including providing public access to an online searchable contractor license database
- Staff achievements include 4 new inspector certifications, 40 hours of continuing education training and 1 LEAP award
- Reviewed and processed 1036 contractor licenses and 666 trades licenses
- Reviewed and issued 2638 building permits totaling \$171,498,250 in valuation
- Established a Trades licensees continuing education policy and approved list of education providers

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
% of residential permits issued w/in 5 business days	63.88%	65%	80%
% of commercial permits issued w/in 15 business days	54.29%	58%	70%
% of inspections scheduled via Inspection Hotline (IH)	14.54%*	56%	65%
% of inspections where results are entered from the field (via IH)	30.38*	85%	90%

IH implemented on 8/1/06

MAJOR GOALS AND OBJECTIVES FOR 2008

1. Merge and co-locate with Planning staff, and implement common plan tracking system.
2. Expand the department webpage to include common plan review corrections, inspection and plan review checklists, and a code interpretation manual to assist contractors and professional designers; and a "Home Improvement Center" to assist homeowners in navigating through the building permit plan check and inspection process.
3. Develop and implement online permitting to enable applicants for single trade permits to complete application online, as well as schedule inspections online.

SIGNIFICANT ISSUES FOR 2008

Co-location of staff of the newly created Planning and Development Services Department and the addition of plan review staff as recommended in the 2006 Matrix Consulting Group report on the City's development process. Also dedicating resources to expand the department webpage to increase online services and performing a training needs assessment and providing staff training as appropriate.

General Operating Fund

City Clerk

Account 001-1050-542

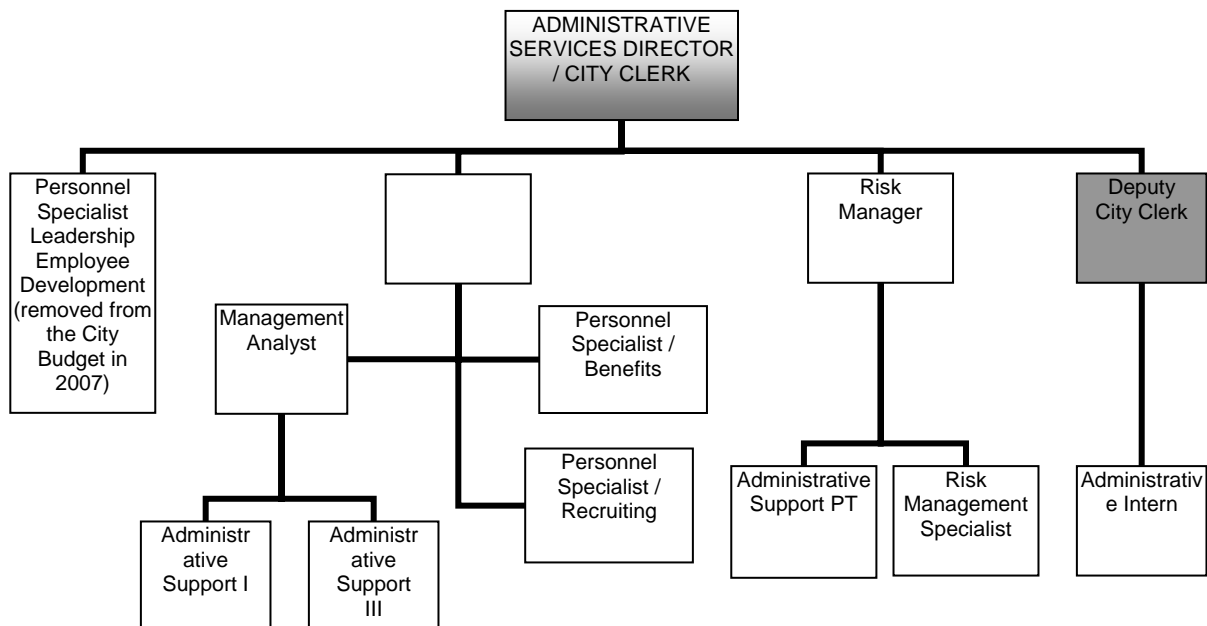
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 109,179	\$ 115,190	\$ 115,190	\$ 121,009
Contractual Services	37,843	88,739	88,739	51,400
Commodities	5,773	19,800	19,800	11,200
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 152,795	\$ 223,729	\$ 223,729	\$ 183,609

PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	1.5	1.5	1.5	1.5

ORGANIZATIONAL CHART



* Shading indicates positions funded from this account. The Director position is funded 50% from this account, 25% from Personnel, and 25% from Risk Management.

PROFILE

The **City Clerk** Division provides for the retention, maintenance, and continuity of all official records of the City of Lawrence and provides basic record retrieval services to citizens and City staff. The City Clerk Division is also responsible for recording all activities involved in City Commission meetings, including meeting minutes, ordinances and resolutions. We also maintain other official records such as contracts, deeds, leases, bond related documents, special assessments, annexations, and records of City-owned cemeteries. Further, we administer the licensing and permit process for various City licenses and permits. We also coordinate public notices, legal publications, and bid notices. We handle documents related to the special assessment financing of projects within the City as well as documents related to the sale and administration of bonds and temporary notes. Notices of elections, filing by candidates and other details of elections are also administered through the City Clerk and coordinated with the County Clerk-Election Officer. Our effectiveness and efficiency is demonstrated by the timely and accurate assistance provided to the general public and City staff.

CURRENT YEAR ACCOMPLISHMENTS

- 2006 Tax Abatement Report on time to PIRC and City Commission;
- Developed questions and added Customer Satisfaction Survey to website;
- Continued scanning Documents and Storing on OnBase (Ordinances (1960's era); Tax Abatement Folders (NN only); General files;
- Reconfigured City Clerk's Offices area to improve customer service and improve security



PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
Percent of minutes approved without correctional amendment	100	100	100
Avg. number of hours required to transcribe and distribute minutes	16.5	18.5	12
Avg. number of telephone questions answered	NA	640	600
Avg. number of days to issue licenses and permits	NA	6.8	4

MAJOR GOALS AND OBJECTIVES FOR 2008

1. Continue to update and improve the City Clerk's website.
2. Continue to scan and electronically store official City documents

SIGNIFICANT ISSUES FOR 2008

Increases in personal services due to 2% general wage adjustment and merit increases for eligible employees. Other significant issues include continuing to find ways to improve the effectiveness and efficiency of document management program and enhancing public access to City records (ordinances, resolutions, City Commission meeting minutes.)

General Operating Fund

Personnel

Account 001-1053-543

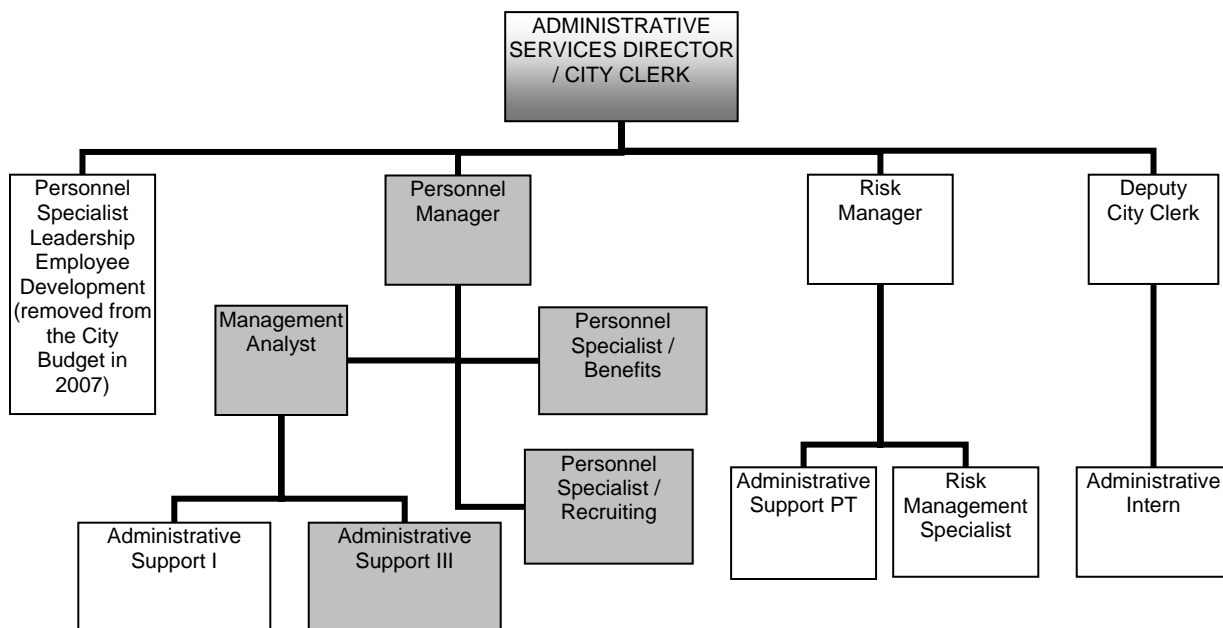
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 331,908	\$ 401,960	\$ 401,960	\$ 349,396
Contractual Services	176,164	222,252	222,252	138,014
Commodities	34,120	24,516	24,516	24,068
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 542,192	\$ 648,728	\$ 648,728	\$ 511,478

PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	6.38	6.75	5.75	5.75

ORGANIZATIONAL CHART



* Shading indicates positions funded from this account.

PROFILE

The **Personnel** Division of Administrative Services Department fosters a high-quality, progressive, innovative work environment by providing strategic leadership to anticipate, identify, analyze, and balance City organizational and employee needs. Personnel serves as a strategic business partner with city management and staff in developing, implementing, and administering a centralized human resource management program for all city employees with emphasis in the following areas: benefits, classification/compensation, employment, employee relations, employee recognition and leadership and employee professional development. Our objective is to create and maintain a work environment placing city employees in the best position to carry out City Commission goals.

CURRENT YEAR ACCOMPLISHMENTS

- Successful conversion of administrators for the Employee Deferred Compensation program.
- Successful implementation of phase I of the on-line job application system.
- Implementation of Supervisory Training Program to include a component for New Supervisors and a second component of ongoing education for existing supervisors.
- A full re-run of the Health Care program risk analysis resulting in a recommended 6% increase in overall contributions from the City and 6% increase in contributions from employees for their family coverage. Health Care program renewal with projected premium equivalent increases of less than 2%.
- 100% attendance at annual diversity training for all employees.
- Implementation of on line employee flexible spending plan enrollment for 2006.
- Implemented final phase of the employee vacation accrual increases which make the program market competitive.

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
Percent of residents surveyed who were satisfied with the professional City service they received	NA	87%	TBD
Percent of employee turnover (full-time)	5.0%	4.0%	8.5%
Percent of pay grades that at 50 th percentile/better in market	60%	44%	100%
Percent of employees rating education activities meet/exceeds expectations	92%	97%	97%

MAJOR GOALS AND OBJECTIVES FOR 2008

1. Review and distribute RFP for vendor services for the Section 125 Flexible Spending program and selected voluntary benefit programs (supplemental cancer insurance).
2. Add a comprehensive Workforce Trends and Analysis to the Compensation Market Study and Health Care plan review be utilized in 2009 budget process.
3. Review and report on the first year of the Supervisory Training Program.
4. If funded, issue RFP and select a Human Resource Information System (HRIS).
5. Implement additional phases of electronic records management which includes scanning and electronic storage of Employee Personnel Files and electronic job opening approval process.
6. Develop a records retention policy to ensure proper storage and destruction of personnel related files.

SIGNIFICANT ISSUES FOR 2008

The decrease in personal services is due to the elimination of the Personnel Specialist - Leadership and Employee Development position. The decrease in contractual services can be attributed to consultant services which fluctuate each year based on need.

PERSONNEL

General Operating Fund

Risk Management

Account 001-1054-544

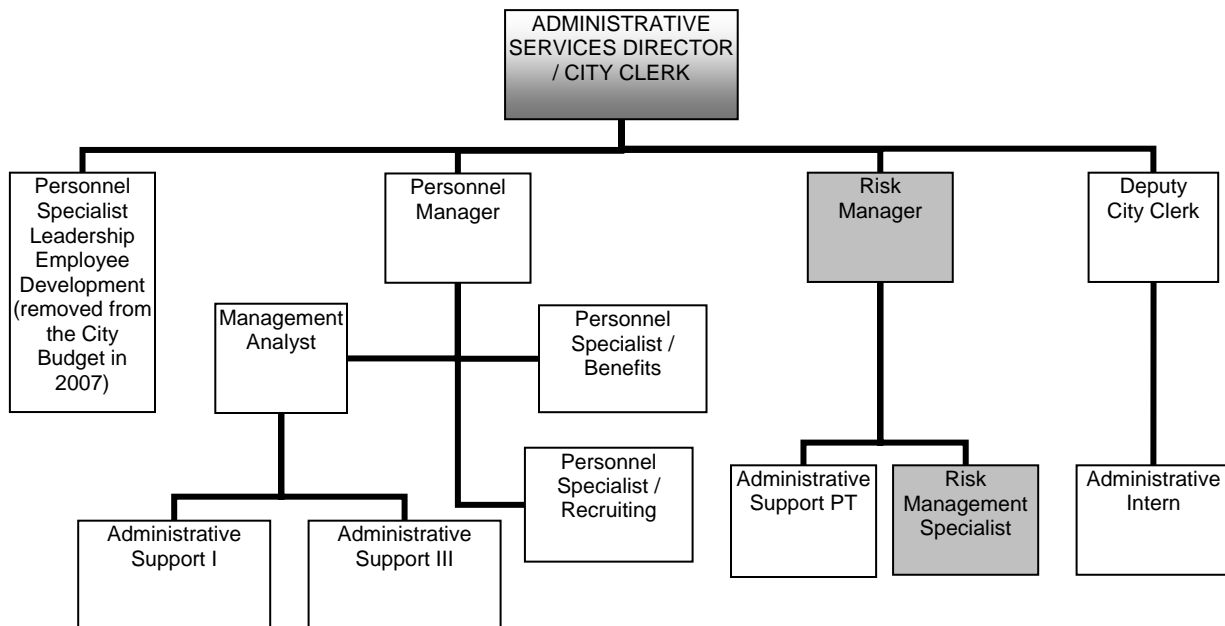
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 156,489	\$ 158,133	\$ 158,133	\$ 162,981
Contractual Services	354,103	425,878	425,878	393,375
Commodities	11,432	19,000	19,000	15,500
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 522,024	\$ 603,011	\$ 603,011	\$ 571,856

PERSONNEL SUMMARY

PERSONNEL	2005 Actual	2006 Adopted	2006 Estimate	2007 Budget
Authorized Positions	2.25	2.25	2.25	2.25

ORGANIZATIONAL CHART



* Shading indicates positions funded from this account.

PROFILE

The Risk Management Program is intended to identify, recommend, and implement actions that will minimize the adverse effects of accidental and business losses in the City of Lawrence. The Risk Management Division strives to responsibly and efficiently manage and administer the City's Risk Management Program utilizing industry best practices for public risk management. The Risk Management Division works hard to be a trusted resource for City Departments on issues of loss prevention and control. Risk Management administers the City's self-funded Workers' Compensation, General Liability, and Auto Liability programs and manages the City's portfolio of insurance coverage, including Property and Public Entity Liability.

CURRENT YEAR ACCOMPLISHMENTS

- Continued to provide services with as minimal disruption as possible during period of complete administrative support turnover and relocation of office.
- Coordinated with Employee Training and Development to provide Drug and Alcohol Awareness education for employees and supervisors with emphasis on Department of Transportation regulations for Commercial Drivers License positions.
- Secured State approval of Workers' Compensation Self-Insurance Program for 2007-2008.
- Secured multi-year contract for Excess Workers' Compensation Insurance Coverage locking in rate for 2008.



PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
Percent change in General Liability Claims against the City	-28%	58%	-25%
Percent change in Auto Liability claims against the City	-30%	136%	-42%
Percent change in Workers' Compensation claims	34%	-52%	100%

MAJOR GOALS AND OBJECTIVES FOR 2008

- Continue to improve and enhance data reporting capabilities, loss runs, data analysis.
- Continue to coordinate supervisory training on risk management issues with training and employee development supervisory training program.
- Provide direction and coordination to assist in centralizing and standardizing necessary safety and loss control policies and/or procedures.

SIGNIFICANT ISSUES FOR 2008

The increase in personal services is due to a 2% general wage adjustment and merit increases for eligible employees.

General Operating Fund

Financial Administration

Account 001-1060-551

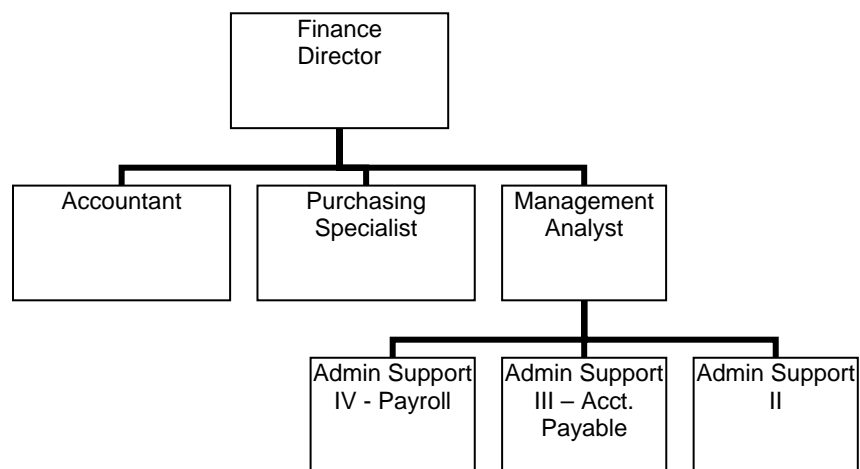
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 287,715	\$ 310,074	\$ 310,074	\$ 324,824
Contractual Services	20,766	16,990	16,990	\$ 11,200
Commodities	9,593	15,700	15,700	14,388
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 318,074	\$ 342,764	\$ 342,764	\$ 350,412

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	5.13	5.13	5.13	5.13

ORGANIZATIONAL CHART



PROFILE

The Administration Division of the Finance Department is responsible for the overall financial administration of the City. The financial operations of the City are governed by independent standards established for accounting and auditing functions. State statutes and internal policies also govern financial transactions.

Major responsibilities include accounting, investing, purchasing, accounts payable, and debt management. The division provides services to citizens, suppliers, and other city departments.

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
Average rate of return on investment	4.50	5.25	91 day T-bill
Percent of bank reconciliations completed in 10 days	100	100	100
Percent of invoices paid within 30 days	82	85	85
Percent of payrolls processed on time	100	100	100

CURRENT YEAR ACCOMPLISHMENTS

- Received a Certificate of Achievement from the GFOA for the 2005 Comprehensive Annual Financial Report
- Began process of allowing credit card payments and one time bank transfers to be over the internet
- Prepared a draft of recommended changes to the Purchasing Policy including revised bidding requirements
- Hired a consultant to determine the City's post employment benefits
- Assisted in selecting a new administrator for the City's deferred compensation plan

MAJOR GOALS AND OBJECTIVES FOR 2008

- Maintain the City's general obligation debt rating.
- Participate in the CDAR's investment program to increase the yield on Certificates of Deposit.
- Improve the Finance Department's system of managing its documents.

SIGNIFICANT ISSUES FOR 2008

The increase in personal services is due to a 2% general wage adjustment and merit increases for eligible employees.



General Operating Fund

General Overhead

Account 001-1065-555

EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	2,633,268	3,101,289	3,101,289	2,936,039
Commodities	26,945	32,500	32,500	28,000
Capital Outlay	-	-	-	-
Refunds	-	-	-	-
Debt Service	19,276	19,376	19,376	4,575
Transfers	-	-	-	-
Contingency	-	185,000	185,000	100,000
Total	\$ 2,679,489	\$ 3,338,165	\$ 3,338,165	\$ 3,068,614

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	NA	NA	NA	NA

PROFILE

The General Overhead Division is used to account for expenses common to several departments such as auditing, postage, dispatching, and office leases. Contractual Services includes grants to the following outside agencies:

Ballard Community Center	7,500	Housing & Credit Counseling	19,000
Bert Nash City Homeless Outreach Team	164,000	Lawrence Arts Center	95,000
Biosciences Initiatives	200,000	Lawrence Chamber of Commerce	195,000
Boys & Girls Club of Lawrence	143,722	Lawrence Community Shelter	9,000
Community Cooperation Committee	3,000	Lawrence Humane Society	267,000
Douglas County CASA, Inc.	20,000	Salvation Army	41,000
Douglas County Legal Aid	40,000	The Shelter, Inc.	34,737
Downtown Lawrence*	47,000	Van Go Mobile Arts	35,000
Ecumenical Minister's Fellowship	5,000	Warm Hearts	6,000
Health Care Access-Pharmacy	28,000	Women's Transitional Care Services	6,000
Douglas County Visitation Center	7,500	Jayhawk Area Agency on Aging	7,830
ECO2**	8,750	TOTAL	\$1,390,039

*Commission and staff will review the appropriate vendor for downtown support.

**Commission and staff will review providing "in-kind" support rather than funding.

General Operating Fund

Transfers

Account 001-1068-558

EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 3,441,505	\$ 3,576,669	\$ 3,576,669	\$ 3,712,889
Contractual Services	-	-	-	-
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	5,771,750	6,006,000	6,006,000	6,407,000
Contingency	-	-	-	-
Total	\$ 9,213,255	\$ 9,582,669	\$ 9,582,669	\$ 10,119,889

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	NA	NA	NA	NA

PROFILE

The Transfer Division is used to account for employer contributions to the City health care program and transfers from the General Fund to a number of City reserve funds. The following transfers are budgeted for 2008:

<u>Health Insurance Fund</u> - This fund is used for the city's contribution to annual health insurance costs for employees and their families.	\$3,712,889
<u>Equipment Reserve Fund</u> - This fund is reserved to cover the cost of repair and purchase of equipment as necessary.	200,000
<u>Capital Improvement Reserve Fund</u> - This fund is reserved for capital improvement projects throughout the year. A transfer is budgeted in order to meet the state fund balance requirement but will only occur if revenues meet or exceed projections in 2008.	1,400,000
<u>Sales Tax Reserve Fund</u> - This fund is historically reserved for capital projects related to Parks and Recreation throughout the year.	3,060,000
<u>Recreation Fund</u> - Part of the sales tax collected each year is transferred into the Recreation Fund (see pages F-1 through F-5) to pay for recreation projects and operations.	1,447,000
<u>Liability Reserve Fund</u> - This fund is reserved for liability claims that may occur throughout the year	100,000
<u>Worker's Comp Fund</u> - This fund is reserved for worker's compensation claims that may occur throughout the year.	200,000
TOTAL	\$10,119,889

Significant Issues for 2008 include an increase in health care plan costs for existing employees and retirees in the General Fund.

TRANSFERS

General Operating Fund

Information Systems

Account 001-1070-557

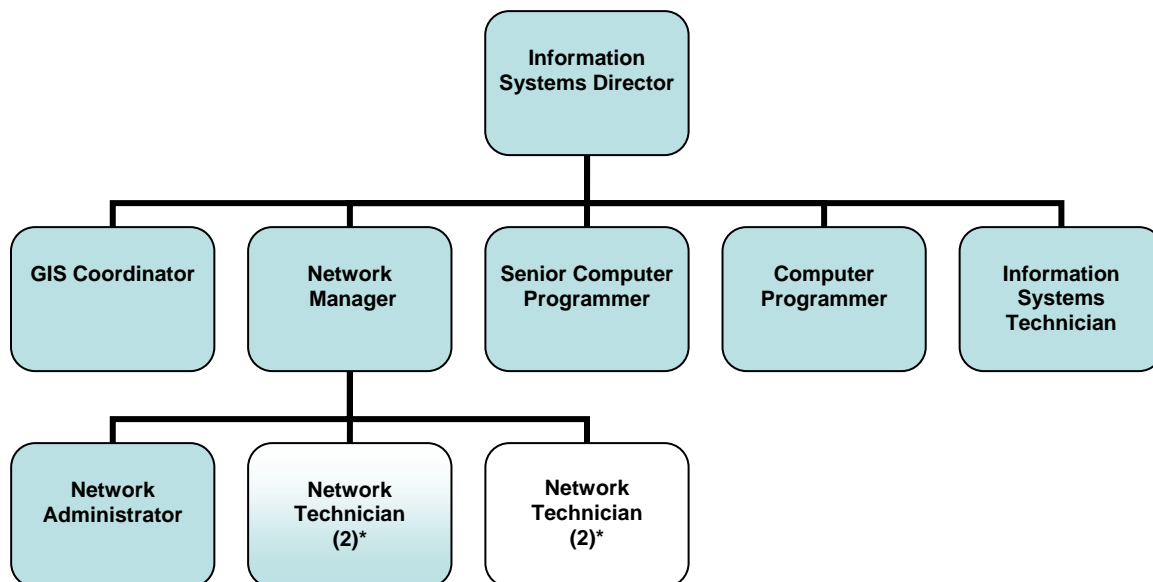
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 572,623	\$610,831	\$610,831	\$582,635
Contractual Services	248,541	272,670	272,670	263,380
Commodities	70,941	76,775	76,775	64,845
Capital Outlay	12,800	9,000	9,000	6,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 904,905	\$ 969,276	\$ 969,276	\$ 916,860

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	9.0	9.0	9.0	8.0

ORGANIZATIONAL CHART



* Two Network Technicians are funded by Fire and Medical, one network technician is funded by Water and Wastewater

PROFILE

The Information Systems Department has the responsibility to promote and optimize the delivery of information technology services to all city departments in support of Lawrence citizens.

The department's employees provide technology support in these primary areas: network security and computer management, geographic information systems (GIS), midrange application programming, document imaging, telecommunications, and eGovernment services.

Much of the department's efforts are geared to maintaining a technology infrastructure extending to more than 40 facilities located around the city.

CURRENT YEAR ACCOMPLISHMENTS

- Completed City Hall-to-Law Enforcement Center fiber optic installation in a cooperative effort with Douglas County.
- Received Cisco Systems' *2006 Growing with Technology* award of \$25,000 in Cisco equipment for resourceful and innovative use of Internet and networking technology.
- Implemented Interactive Voice Response system for scheduling and resulting building inspections via telephone.
- Updated GIS information with new aerial photography, contours, planimetric, and LIDAR data.



PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
Percent of scheduled time systems are fully operational:			
Email	99.93	99.99	100.00
Network	99.93	100.00	100.00
Internet	99.93	99.99	100.00
E-Gov systems	99.92	99.92	100.00
Number of PCs supported per FTE	92.7	93.3	90
Avg hours spent completing programming requests per FTE	26.7	14.2	20
Percent of time telco system is fully operational	100	100	100

MAJOR GOALS AND OBJECTIVES FOR 2008

1. Respond to increased technology demands as employees and facilities are added to the organization.
2. Continue with improvements in disaster recovery and business continuity planning.
3. Pursue replacement of aging City Hall and Law Enforcement Center telephone systems.
4. Complete voice and data infrastructure additions in support of the newly-created Planning and Development Services department.
5. Implement new eGovernment service for online citizen service requests and tracking.

SIGNIFICANT ISSUES FOR 2008

The decrease in personal services for 2008 can be attributed moving funding for one Network Technician to the Water and Wastewater Fund.

INFORMATION SYSTEMS

General Operating Fund

City Legal Services

Account 001-1080-522

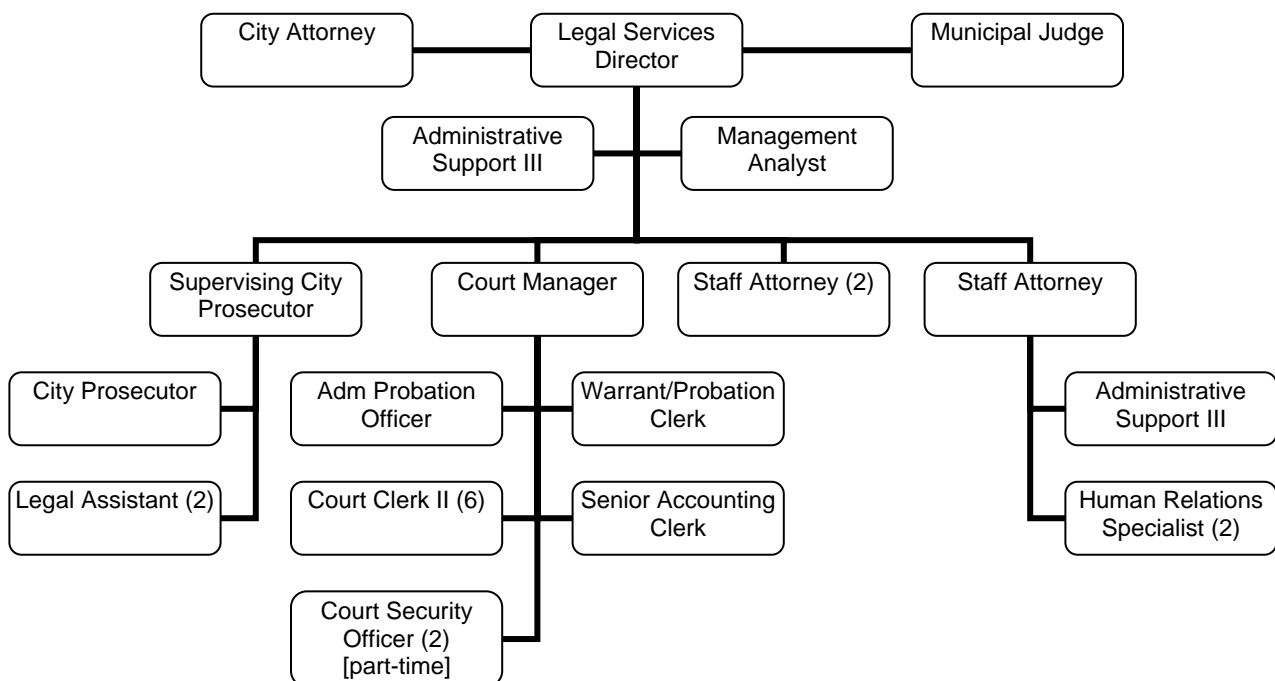
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 616,899	\$ 660,454	\$ 660,454	\$ 596,498
Contractual Services	275,426	95,700	95,700	89,200
Commodities	33,822	31,300	31,300	22,300
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 926,147	\$ 787,454	\$ 787,454	\$ 707,998

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	9.00	11.00	11.00	9.00

ORGANIZATIONAL CHART



PROFILE

The Legal Services Department is made up of four divisions: City Legal Services, Human Relations, the Municipal Court, and the Prosecutor's Office.

The City Legal Services Division prepares and reviews ordinances and resolutions relating to various issues in the city. The division drafts and assists in negotiation of legal documents including contracts, deeds, leases, and easements. The division also conducts legal research and provides legal guidance to City staff and the Commission when necessary. The City Attorney defends the City in claims and suits.



CURRENT YEAR ACCOMPLISHMENTS

- Successfully defended the smoking ban before the Kansas Supreme Court.
- Provided quality legal services to the City organization.
- Acquired property for numerous public improvement projects (rights-of-way, easements, temporary construction easements, etc.)

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
Number of property acquisitions completed	36	NA	TBD
Number of online City Code updates made	15	NA	TBD
Number of ordinances prepared/reviewed per FTE	12.5	NA	TBD

MAJOR GOALS AND OBJECTIVES FOR 2008

1. To professionally respond to the increased level of legal services demanded by our growing community. This must be done within the constraints of limited resources by effectively using technology.
2. To seek opportunities to pro-actively respond to legal issues facing the City organization.
3. To continue professional development in the municipal court and prosecutor functions seeking greater responsiveness and better results for the community.
4. To assist various City departments, in a legal capacity, in achieving the goals set by the City Commission.

SIGNIFICANT ISSUES FOR 2008

The decrease in personal services for 2008 can be attributed to moving funding for the Assistant City Manager position to the Water and Wastewater Fund.

General Operating Fund

Human Relations

Account 001-1085-541

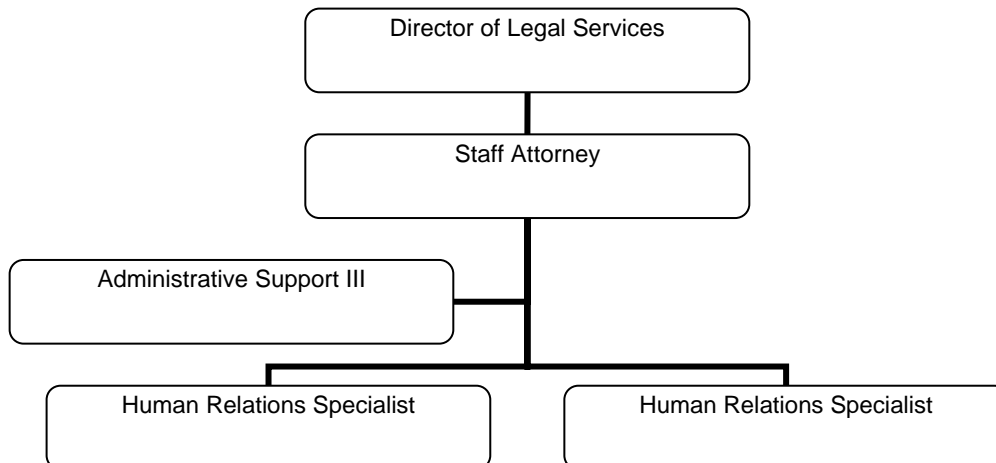
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 248,285	\$259,473	\$259,473	\$243,141
Contractual Services	26,930	35,653	35,653	29,170
Commodities	20,150	20,057	20,057	18,157
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 295,365	\$ 315,183	\$ 315,183	\$ 290,468

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	3.5	3.5	3.5	3.5

ORGANIZATIONAL CHART



PROFILE

The Human Relations Department is the City's civil rights enforcement agency. Chapter X, Article I of the City Code authorizes staff to investigate and attempt to resolve complaints from those who allege unlawful discrimination within the City limits in employment, public accommodations or housing because of their race, sex, religion, color, national origin, age, ancestry, sexual orientation, disability or familial status.

The department also conducts extensive training activities, including in-service training for City employees and training for organizations external to the City. The department sponsors Fair Housing and Equal Opportunity Law Update Seminars for the general public and participates with several external organizations in providing outreach services for the community.

For purposes of temporary coordination, the Human Relations function is a division of the Legal Services Department. A permanent decision on this coordination will be determined in the future.



CURRENT YEAR ACCOMPLISHMENTS

- Sponsored the annual Equal Opportunity Law Update Seminar for local businesses.
- Conducted training and outreach programs for Douglas County, Haskell Indian Nations University and other community organizations.

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
Number of formal complaints processed per FTE	3	NA	TBD
Number of informal complaints processed per FTE	44	NA	TBD
Number of seminars conducted	4	NA	TBD

MAJOR GOALS AND OBJECTIVES FOR 2008

1. To educate the community, Human Relations Commission, City Commission and staff about discrimination in employment, housing and places of public accommodations as well as provide training for City employees in the area of Human Relations (diversity, prevention of sexual harassment, etc.).
2. To enforce the Civil Rights Act in cases where employment, housing or public accommodation discrimination is evident and continue timely processing of complaints alleging unlawful discrimination.
3. To collaborate with local organizations and act to develop anti-riot and community liaison communications. This will require intensified outreach and result in City government moving into a significant leadership role in race relations.

SIGNIFICANT ISSUES FOR 2008

The decrease in personal services can be attributed to personnel changes in 2008.

HUMAN RELATIONS

General Operating Fund

Municipal Court / Prosecutor

Account 001-1090-522

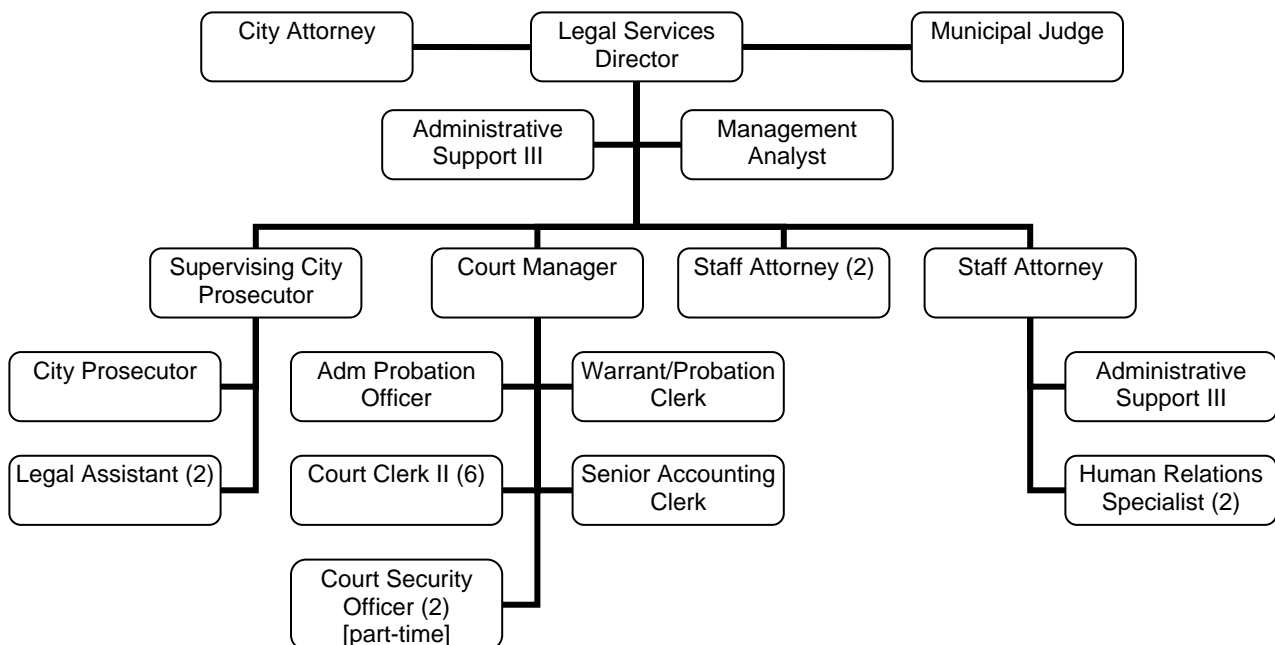
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 442,589	\$ 463,978	\$ 463,978	\$ 476,247
Contractual Services	167,056	182,868	182,868	185,760
Commodities	26,472	31,000	31,000	29,128
Capital Outlay	-	12,500	12,500	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 636,117	\$ 690,346	\$ 690,346	\$ 691,135

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	8.5	8.5	8.5	8.5

ORGANIZATIONAL CHART



PROFILE

The purpose of the City of Lawrence Municipal Court is to file, manage and adjudicate alleged violations of City ordinances in a timely and professional manner. The department is dedicated to providing impartial customer service to attorneys, defendants and citizens while utilizing available resources to continually improve service quality and professional integrity.

The Municipal Court of the City of Lawrence adjudicates alleged violations of the City Code. The City Prosecutor's office represents the City in all cases brought by the City and University Police Departments.



MAJOR GOALS AND OBJECTIVES FOR 2008

1. Prioritization of court and prosecutor workload to ensure appropriate responsiveness to City needs.
2. Continue to develop and improve court procedures, staff training, records management and fines collection methods.
3. Ensure an appropriate and timely disposition on all cases.
4. Implement measures that increase productivity, enhance revenue and benefit the City organization and the citizens of Lawrence.

CURRENT YEAR ACCOMPLISHMENTS

- Maintained a high level of accuracy and professional integrity amid the steady increase in citations, court appearances and diversions.
- Improved focus on collections, including overtime parking collections.

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
Percent of failure to appear notices mailed within 1 day of non-compliance	81%	NA	TBD
Percent of warrants issued within 2 days of non-compliance	87%	NA	TBD
Percent of drivers license suspensions issued within 35 calendar days of failure to appear notice	58%	NA	TBD
Percent of case files retrieved within 15 minutes	88%	NA	TBD

SIGNIFICANT ISSUES FOR 2008

The increase in personal services for 2008 can be attributed to a 2% general wage adjustment and merit increases for eligible employees.

General Operating Fund

Police

Account 001-2100-561

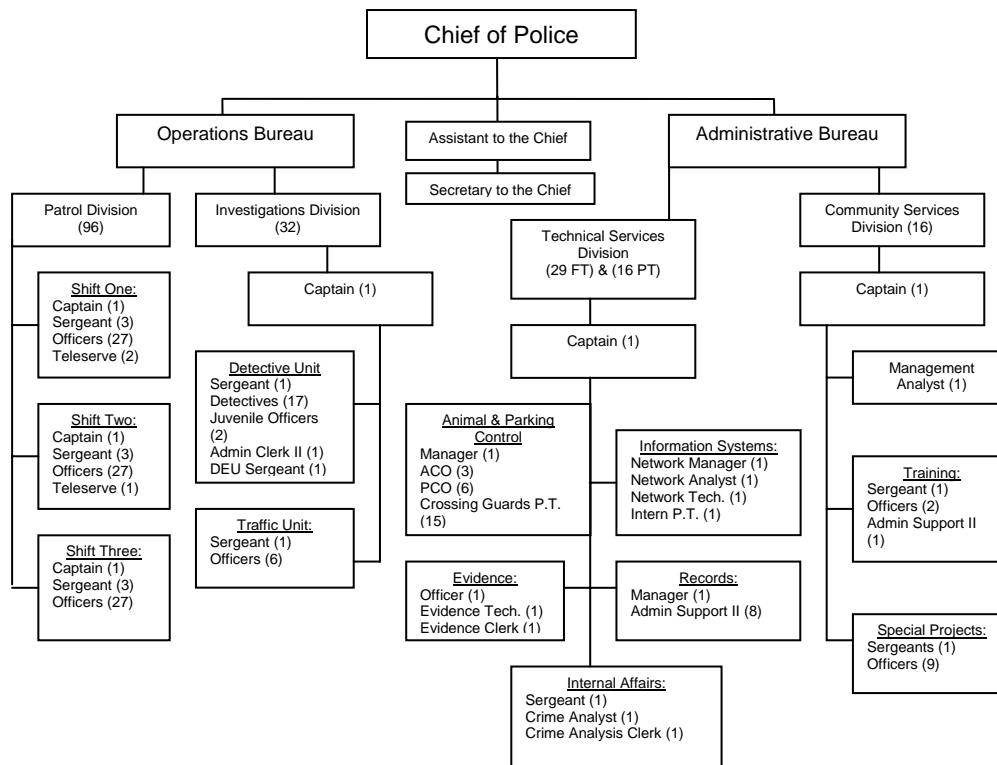
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 11,078,532	\$ 12,071,201	\$ 12,071,201	\$ 12,505,497
Contractual Services	1,020,298	1,038,455	1,038,455	1,069,837
Commodities	510,071	574,380	574,380	480,516
Capital Outlay	350,890	361,703	361,703	290,341
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 12,959,791	\$ 14,045,739	\$ 14,045,739	\$ 14,346,191

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	166.0	168.0	168.0	164.0

ORGANIZATIONAL CHART



PROFILE

The goal of the **Lawrence Police Department** is to be the number one police organization within the confines of existing resources. To accomplish this goal, the Department has adopted the following Five Guiding Principles:

1. We Exist To Serve The Community
2. We Believe In The Personal Touch
3. We Are Fair But Firm
4. How We Get The Job Done Is As Important as Getting The Job Done
5. We Represent Civility And Order In A Changing World

CURRENT YEAR ACCOMPLISHMENTS

- Implemented new nuisance house, graffiti, and noise procedures to assist neighborhoods with livability issues.
- Recruited and prepared for 2007 Recruit Academy.
- Implementation of Resource Plan recommendations, as appropriate.
- Coordination with Public Safety Attorney on legal matters and interpretations. Enhanced training of recruits and current officers in legal matters.
- Recognition as a regional training center for police personnel by sponsoring the Central States Law Enforcement Development Seminar, the Homicide Investigation School, Interview and Interrogation Workshop, and Terrorism/Anti-Terrorism classes.

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Survey	2008 Target
Percent of residents satisfied with the frequency of patrol in their neighborhood	NA	56%	TBD
% of residents satisfied with how well the City enforces traffic offenses	NA	53%	TBD
Percent of residents that feel safe in their neighborhood during the day	NA	96%	TBD

MAJOR GOALS AND OBJECTIVES FOR 2008

1. To maintain personnel, equipment, and technology for efficiency and effectiveness in providing innovative, timely, and quality police service to the citizens of Lawrence.
2. To provide investigative review of every major crime reported to the Lawrence, Kansas Police Department.
3. To manage the increasing calls of service levels impacting our organization.
4. To continue high productivity by all employees engaged in emergency police response.
5. To address significant issues associated with evidence processing and storage and increasing levels of property storage.
6. Ongoing development of long-term planning for adequate personnel levels, facilities, and equipment.

SIGNIFICANT ISSUES FOR 2008

The increase in personal services for 2008 can be attributed to merit increases for eligible employees and the general wage adjustment. The increase in Contractual Services is explained by higher training costs due to mandates and loss of public school allocated grants, tuition reimbursement, equipment repairs, higher prisoner care charges from the County jail, outreach recruitment efforts, and motor vehicle maintenance and repair.

General Operating Fund

Fire Medical

Account 001-2200-562

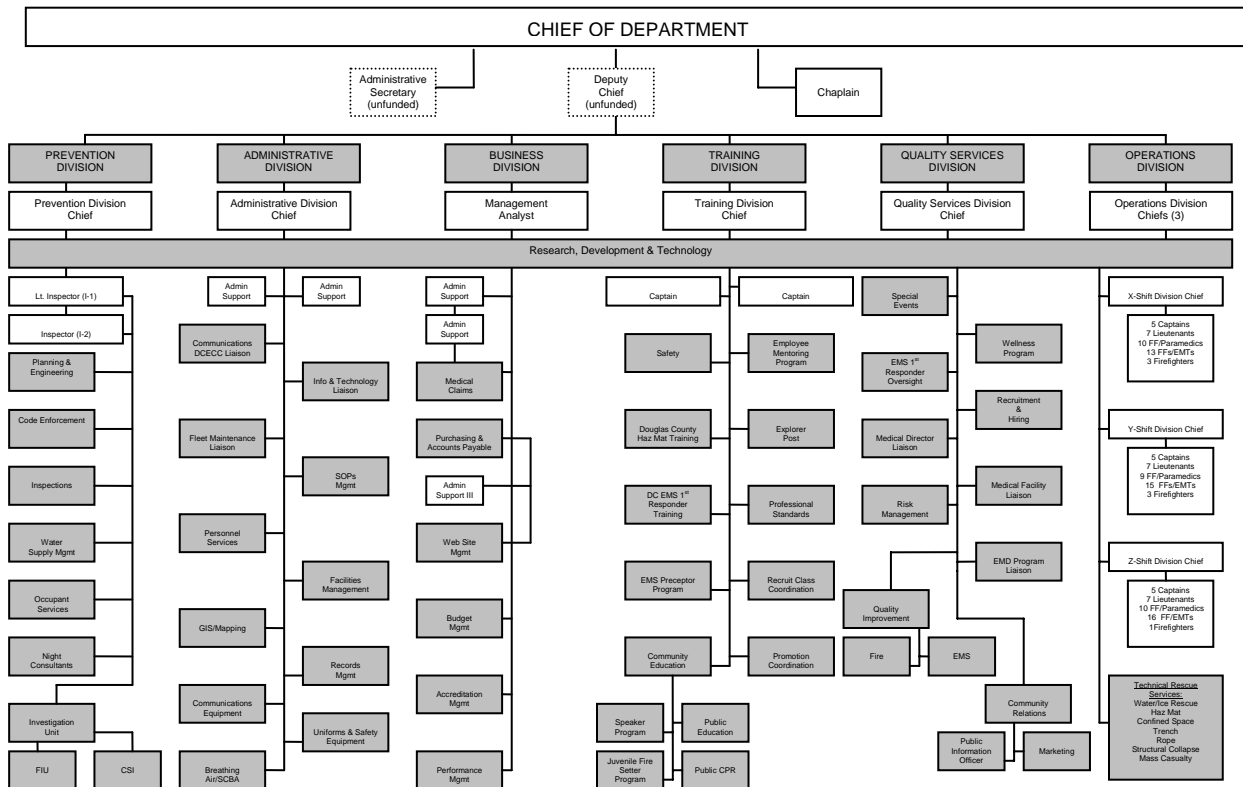
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 10,535,834	\$ 11,061,181	\$ 11,061,181	\$ 11,677,564
Contractual Services	737,726	806,999	806,999	922,748
Commodities	575,600	479,074	479,074	530,154
Capital Outlay	185,819	352,500	352,500	92,000
Refunds	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 12,034,979	\$ 12,699,754	\$ 12,699,754	\$ 13,222,466

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	146	146	146	146

ORGANIZATIONAL CHART



PROFILE

"WE ARE COMMITTED TO SAVING AND PROTECTING LIVES AND PROPERTY." The **Fire Medical** department is equipped and staffed at a level that currently meets the minimum level required to protect the community in fire, EMS, hazardous materials, special rescue, disaster preparedness and terrorism responses.

The City of Lawrence and Douglas County jointly fund the department, with the City funding 74.36% and the County funding 25.64% according to an agreement. The City funds 75% of the shared costs. Fire services are only provided within the City of Lawrence while emergency medical services and hazardous material responses are provide County-wide. The department is divided into six divisions: Administrative, Business, Operations, Prevention, Quality Services, and Training.

The Administrative Division is responsible for communications, fleet maintenance, personnel services, GIS/mapping, information and technology, Standard Operating Procedures, facilities, records, and uniform/safety equipment. The Business Division is responsible for medical claims and billing, purchasing and accounts payable, web site management, budget management, accreditation, and performance management. The Operations Division is comprised of firefighters and paramedics who work traditional 24-hour shifts and are on duty three shifts in each nine-day cycle. Operations equipment includes engines, quints, aerial ladders, medic units, squads, one tender and a hazardous materials vehicle distributed among five stations located throughout Lawrence and one medic station in Baldwin. Prevention is responsible for planning and engineering, enforcement of the Uniform Fire Code and Life Safety Code, water supply management, investigations, and night consultants. Quality Services provides oversight for special events, the EMS First Responder Program, the Wellness Program, recruitment and hiring, risk management, and community relations. Training is responsible for all training and education of department and community members, the Explorer Program, professional standards, recruit class training and the EMS Preceptor Program.

CURRENT YEAR ACCOMPLISHMENTS

- Responded to 8,964 incidents, 76% EMS
- Initiated department Strategic Plan
- Four additional members obtained state paramedic certification.

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
Average fire emergency response time within the city limits	05:29	05:23	05:00
Average EMS emergency response time within the city limits	04:25	04:25	04:00
Percent of citizens indicating satisfied or very satisfied with department's professionalism	N/A	89%	TBD
Percent of citizens indicating satisfied or very satisfied with department's quality of fire services	N/A	90%	TBD

MAJOR GOALS AND OBJECTIVES FOR 2008

1. Provide necessary continuing education of current staff, as well as additional training to increase the number of state-certified paramedics.
2. Continue public education and prevention efforts for community safety and awareness.
3. Continue strategic planning for the department including impact of urban growth areas.
4. Replace fire and medical apparatus as outlined in the department's Apparatus Replacement Plan.
5. Utilize new technology wherever possible to contribute to the effectiveness and safety of our service delivery efforts.
6. Obtain agency accredited status.

SIGNIFICANT ISSUES FOR 2008

The increase in personal services can be attributed to a 2% general wage adjustment as well as merit increases for eligible employees. Significant increases in contractual services, along with limited resources, mean a decrease in capital outlay.

General Operating Fund

Health Department

Account 001-2500-565

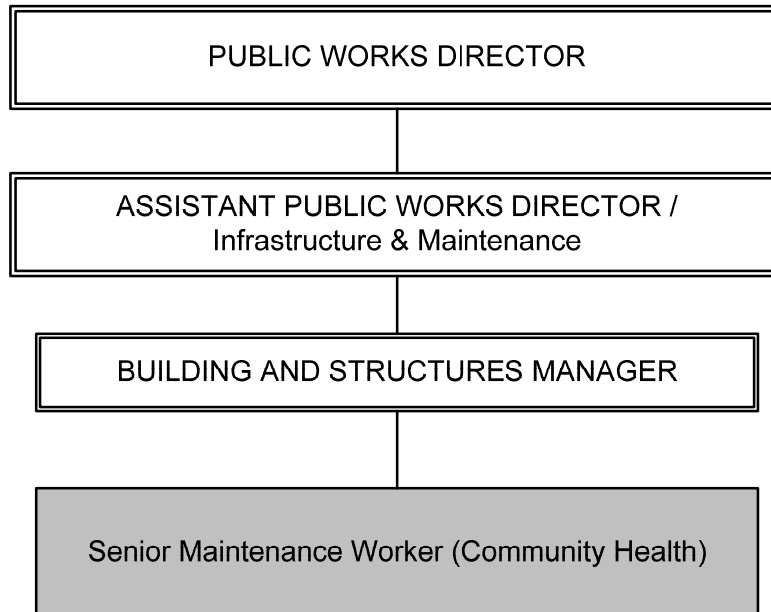
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 56,556	\$ 66,156	\$ 66,156	\$ 60,753
Contractual Services	857,021	949,319	949,319	931,230
Commodities	17,631	18,600	18,600	18,600
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 931,208	\$ 1,034,075	\$ 1,034,075	\$ 1,010,583

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	1.0	1.0	1.0	1.0

ORGANIZATIONAL CHART



Shading indicates positions funded through this account.

PROFILE

The City makes an annual appropriation to the Lawrence/Douglas County Health Department (LDCHD), whose mission is to protect and promote the health of the people in Douglas County. The City's share of the LDCHD operating budget is 40% and the County pays 60%. The City also is responsible for 50% of the repairs and maintenance on the City/County Health Building, which houses the offices of the LDCHD. Those repair and maintenance costs are added to the LDCHD operating budget to make up this division's budget for the General Fund. Revenue from the County for their share (50%) of the repairs and maintenance is included in the revenue projections for the General Fund.

CURRENT YEAR ACCOMPLISHMENTS

- Emphasized essential public health services related to disease prevention through immunization, communicable disease investigation, public health emergency preparedness, nutrition and case management services to maternal and child health populations as well as child care facility and environmental health inspections.
- Promoted wellness within the community through public education efforts using a variety of channels including health fairs, community forums, individual instruction and mass media.
- Continued to monitor the community's health notifying the community of an increase in the number of mumps cases and working with health care providers, schools, cases and contacts to limit the spread of this disease.



PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Projected
Total Immunizations	9,234	9,155	9,155
Pregnancy and Parenting Services Visits	1,808	1,800	1,800
WIC Caseload at end of Year	1,336	1,400	1,450
Teen Pregnancy Case Management Visits	396	400	400
Child Care Facility Visits	488	465	465
Care Management for Seniors Visits	1,656	1,550	1,550
Swimming Pool Inspection Visits	464	475	475

MAJOR GOALS AND OBJECTIVES FOR 2008

1. **Safeguard community health and safety**
 - By protecting individuals of all ages against vaccine-preventable diseases.
 - By evaluating compliance with child care licensing regulations.
 - By enforcing local environmental health codes and regulations.
2. **Identify urgent and everyday health problems**
 - In order to prevent or reduce the spread of communicable diseases.
 - In order to improve the health outcomes for pregnant women and their infants.
3. **Assess health problems and promote wellness**
 - By helping teen parents become self-sufficient through goal setting and life skills development.
 - By helping mothers and pregnant women meet their nutritional needs and those of their children.
4. **Work with the community to protect health and control costs**
 - By assisting seniors to remain living safely in their own homes.
 - By working with local and state partners to prepare for potential public health emergencies.

HEALTH DEPARTMENT

General Operating Fund

Street Maintenance

Account 001-3000-571

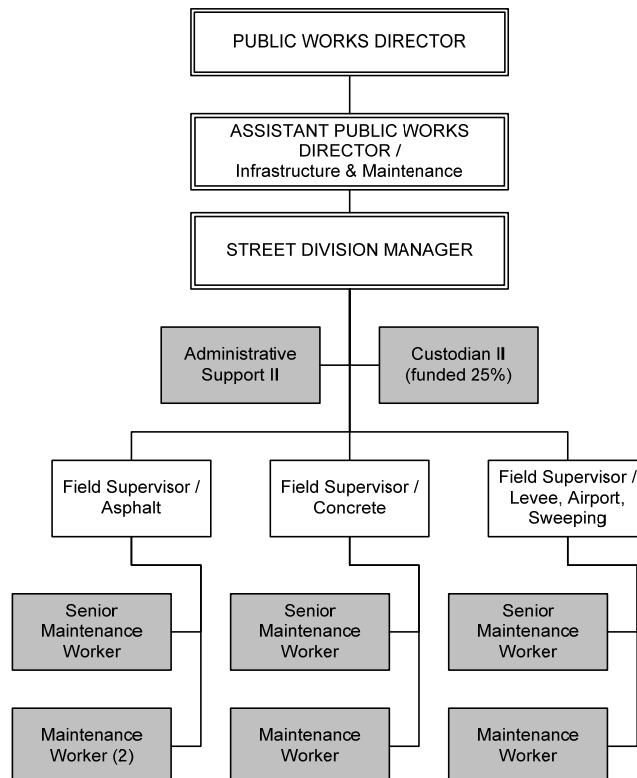
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 256,336	\$ 369,970	\$ 369,970	\$ 400,248
Contractual Services	299,449	283,990	283,990	295,490
Commodities	2,560,475	1,944,800	1,944,800	2,588,040
Capital Outlay	-	20,000	20,000	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	100,000	100,000	100,000
Total	\$ 3,116,260	\$ 2,718,760	\$ 2,718,760	\$ 3,383,778

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	5.25	8.25	8.25	8.25

ORGANIZATIONAL CHART



*Shading indicates positions funded from this account.

PROFILE

The **Street Maintenance** Division is responsible for the routine maintenance of the City's streets, alleys, curbs, and gutters. The budget provides funds for concrete, asphalt, sand and rock for street repairs, and salt for snow and ice control. Additional funds are budgeted for outside firms to assist in removing snow. The work crews require the use of a variety of equipment and vehicles. The cost of equipment maintenance and fuel is included in this budget.

The City maintains slightly over 318 centerline miles of streets. Core street maintenance services continue to be a priority focus. In 2006, the Public Works Department completed a reorganization to align resources and priorities, such that all pavement management functions would fall under a single division. The organizational changes are resulting in more comprehensive planning for pavement rehabilitation and maintenance.

The Street Maintenance budget funds significant rehabilitation projects that are contracted, as well as staffing for routine maintenance completed in-house. Significant issues for the Street Division are ensuring adequate funding for infrastructure maintenance and adequate staffing to meet demands.

CURRENT YEAR ACCOMPLISHMENTS

- Concrete and asphalt maintenance projects
- Provided excellent snow and ice control during winter operations
- In-house crack-sealing project along major arterials
- Street sweeping for approximately 6000 lane miles

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
% of pavement rated as acceptable or better (PCI)	68.5%	64.3%	TBD
% of potholes on arterials filled within 24 hours	NA	65.5%	70%
% of residents satisfied with street maintenance	NA	26%	TBD
% of residents satisfied with snow removal on arterials streets	NA	76%	TBD
Total lane miles of street microsurfacing completed	0.0	12.8	12

MAJOR GOALS AND OBJECTIVES FOR 2008

1. To provide timely and preventive maintenance for street and related infrastructure by applying the most cost-effective maintenance treatments based on specific condition assessments.
2. To provide curb, gutter, and concrete repair and maintenance
3. To provide asphalt maintenance through patching and replacement.
4. To maximize pavement life through an aggressive crack-sealing program.
5. To provide effective snow and ice control for public roadways.
6. To provide support, personnel, and equipment during emergency response and disaster recovery operations.

SIGNIFICANT ISSUES FOR 2008

Increases in personal services can be attributed to a 2% general wage adjustment and merit increases for eligible employees. Increases in commodities are due to increased costs of fuel and other materials associated with an expanded mill and overlay program.

STREET MAINTENANCE

General Operating Fund

Engineering

Account 001-3100-571

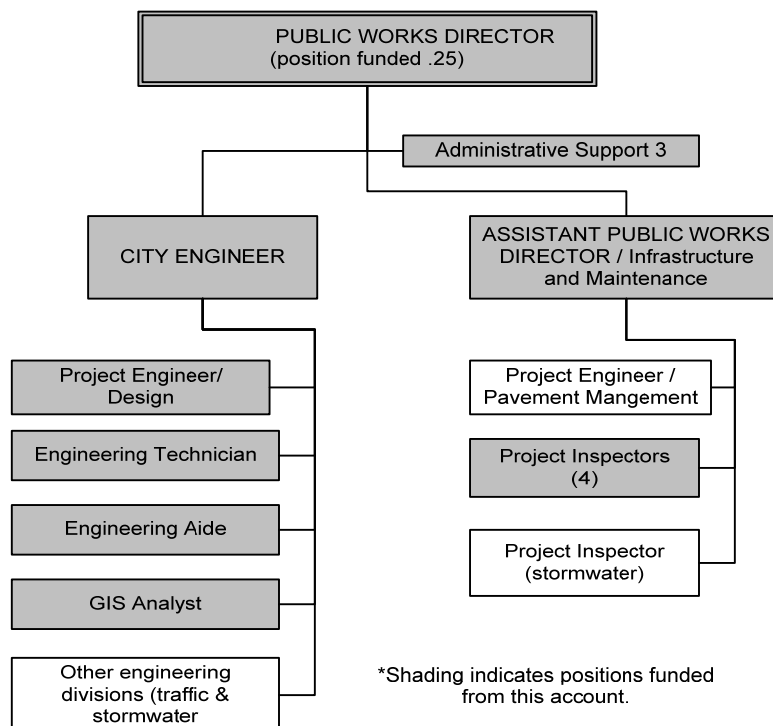
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 615,326	\$ 810,670	\$ 810,670	\$ 827,796
Contractual Services	42,682	51,240	51,240	43,785
Commodities	53,931	55,080	55,080	57,450
Capital Outlay	15,045	35,000	35,000	41,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 726,984	\$ 951,990	\$ 951,990	\$ 970,031

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	11.66	11.66	11.66	11.66

ORGANIZATIONAL CHART



PROFILE

The **Engineering** Division is responsible for the review and approval of all plans for streets, sidewalks, and storm sewers. The division administers projects and inspects project construction, evaluates pavement condition and contracts for major pavement restoration and replacement. The Engineering Division solicits grants and other funding for major reconstruction or new construction projects. The City Engineer provides supervision for the traffic and stormwater engineering programs. In 2006, the Public Works Department completed a reorganization to align resources and priorities, such that all pavement management functions would fall under a single division. The organizational changes are intended to result in more comprehensive planning for pavement rehabilitation and maintenance.

The Engineering staff offers technical assistance to other departments in consultant selection and contract administration. The office of the City Engineer is the custodian of "as built" plans as well as various maps and aerial photography information used extensively by builders, developers, and consultant engineers working in the City. Some of the GIS functions of the City are supported through this division.

CURRENT YEAR ACCOMPLISHMENTS

- Completion of reorganization to align resources and priorities for infrastructure development and management.
- Hired a project engineer for design. This will allow in-house staff to design small projects such as geometric intersection improvements or brick street reconstruction.
- Completion of first phase of re-inventory for pavement maintenance inventory.
- Completion of major reconstruction projects, such as Kasold, 15th to 22nd, and Kasold, north of Peterson Road.
- Progress is being made on the design for reconstruction of N. 2nd and Locust and improvements at 19th and Louisiana.
- Reviewed and updated technical specifications including sections on pavement, subgrade materials, and maintenance activities.

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
% of pavement rated as acceptable or better (PCI)	68.5%	64.3%	TBD
% of engineering plans reviews completed within 10 business days	TBD	85%	95%
% of residents satisfied with street maintenance	NA	26%	TBD
Total lane miles of street overlay completed	12.8	7.5	8.0
Total lane miles of street microsurfacing completed	0.0	12.8	12

MAJOR GOALS AND OBJECTIVES FOR 2008

1. Begin limited in-house engineering design services.
2. Complete second phase of re-inventory for the pavement maintenance inventory.
3. Provide comprehensive pavement management and implement a multi-year program.
4. Implement the public works portions of the comprehensive GIS system.
5. Provide thorough and timely inspection of all public improvements.

SIGNIFICANT ISSUES FOR 2008

The increase in personal services is due to a 2% general wage adjustment and merit increases for eligible employees.

General Operating Fund

Traffic Engineering
Account 001-3200-572

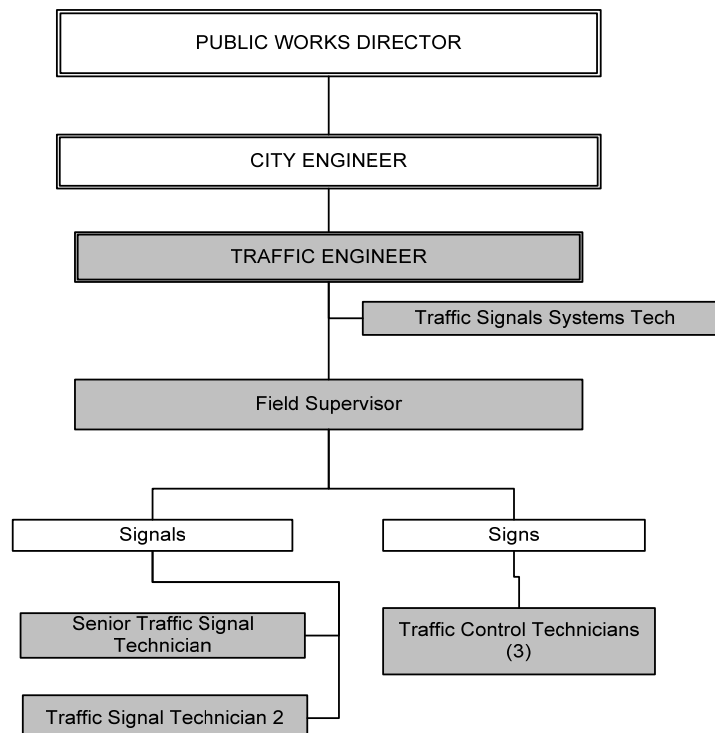
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 393,484	\$ 450,775	\$ 450,775	\$ 440,980
Contractual Services	34,809	53,200	53,200	40,350
Commodities	124,218	122,800	122,800	93,350
Capital Outlay	22,771	16,000	16,000	57,500
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 575,282	\$ 642,775	\$ 642,775	\$ 632,180

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	8.0	8.0	8.0	8.0

ORGANIZATIONAL CHART



*Shading indicates positions funded from this account

PROFILE

The **Traffic Engineering** Division reviews plats and site plans, street plans, analyzes traffic data, and provides professional and technical data to the Traffic Safety Commission. Field crews are responsible for signal maintenance, signal timing, street signs, and pavement markings. Crews also maintain school beacons, conduct electronic and manual traffic counts and school crossing counts. Traffic division crews are responsible for overhead decorative lighting in the central business district.

The Traffic Engineer Division works with community and neighborhood groups to address specific concerns. The Traffic Engineer provides professional staffing and recommendations to the Traffic Safety Commission.

The Traffic Division is currently located at 445 Mississippi. The operational goal is to move this work unit to the Wakarusa Service Center with other street maintenance operations.

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
% of downed signed reinstalled within 3 days of completed locates	100%	100%	100%
% of traffic signal heads converted to LED	65%	65%	70%
% of residents satisfied with ease of east/west travel (survey)	NA	30%	TBD
% of residents satisfied with ease of north/south travel (survey)	NA	49%	TBD
% of residents satisfied with maintenance of street signs	NA	72%	TBD

CURRENT YEAR ACCOMPLISHMENTS

- Worked with neighborhoods and localized areas on traffic calming plans.
- Optimized traffic signal coordination plans throughout the city.
- Continued installation of battery back-up systems at major signalized intersections.
- Continued program installing countdown timers at signalized pedestrian crossings.
- Continued LED upgrade program for pedestrian signals.
- Initiate contract for professional services in the design of the architecture for intelligent transportation systems within the city.
- Updated signal wiring under Massachusetts Street from 9th to 11th.

MAJOR GOALS AND OBJECTIVES FOR 2008

1. To provide traffic signal, traffic signing, and pavement marking public services at the current level without an increase in funding.
2. Develop comprehensive Intelligent Transportation Systems (ITS) Plan.
3. To inventory approximately 20% of traffic control signs in place.
4. To complete installation of LED's in all pedestrian signals.
5. To continue working with neighborhood organizations to provide solutions to traffic problems that can improve the quality of life within the neighborhood.

SIGNIFICANT ISSUES FOR 2008

Reductions in contractual services are due to a reduced intersection pavement marking program. Reductions in commodities will mean reductions in the purchase, installation and maintenance of traffic signs. The increase in capital outlay is due to the replacement of a sign truck.

General Operating Fund

Airport Maintenance

Account 001-3300-573

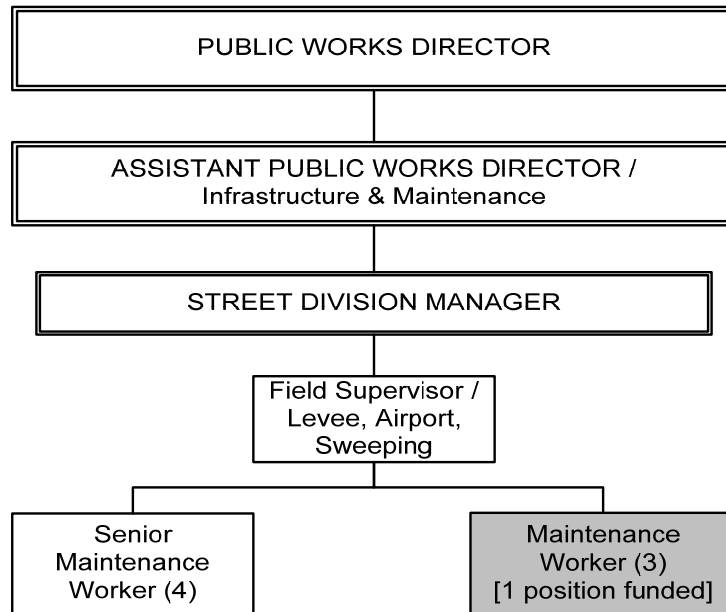
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 36,221	\$ 39,609	\$ 39,609	\$ 42,227
Contractual Services	45,008	62,750	62,750	60,250
Commodities	3,235	3,700	3,700	3,700
Capital Outlay	-	7,500	7,500	20,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 84,464	\$ 113,559	\$ 113,559	\$ 126,177

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	1.0	1.0	1.0	1.0

ORGANIZATIONAL CHART



*Shading indicates positions funded from this account

PROFILE

The **Lawrence Municipal Airport** is operated by a fixed base operator under agreement with the City. The Assistant City Manager serves as Airport Manager and serves as the primary staff liaison for the Airport Advisory Board.

Maintenance that is not assigned to the fixed based operator is the responsibility of the Public Works Department. The Street Maintenance Division provides mowing and snow removal services along the runways. The Building Maintenance Division provides other maintenance and operational support for the airport.

Contractual agreements such as insurance and electricity are budgeted in this division as well as capital expenditures for maintenance and improvements.



MAJOR GOALS AND OBJECTIVES FOR 2008

1. To continue maintenance of primary runways and taxiways.
2. To provide routine inspections for regulatory compliance.
3. To provide facility and grounds maintenance at the airport terminal and hangars, per agreements.
4. To replace concrete apron on the west side of FBO Hangar.
5. City staff to provide inspection on construction projects.

CURRENT YEAR ACCOMPLISHMENTS

- Finalized construction of new taxiway D.
- Widened and improved the airplane safety area on each side of the runway, including grading and drainage modifications.
- Re-keyed airport locks.

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
% occupancy of t-hanger space	100%	100 %	100 %
% of construction inspection services provided in-house	100%	100%	100%
% of monthly safety inspections completed on time	50% est	70%	85%
# on waiting list for t-hangar space	NA	24	NA

SIGNIFICANT ISSUES FOR 2008

The increase in personal services can be attributed to a 2% general wage adjustment and merit increases for eligible employees. The increase in capital outlay is for the replacement of a large mower.

General Operating Fund

Building Maintenance

Account 001-3400-574

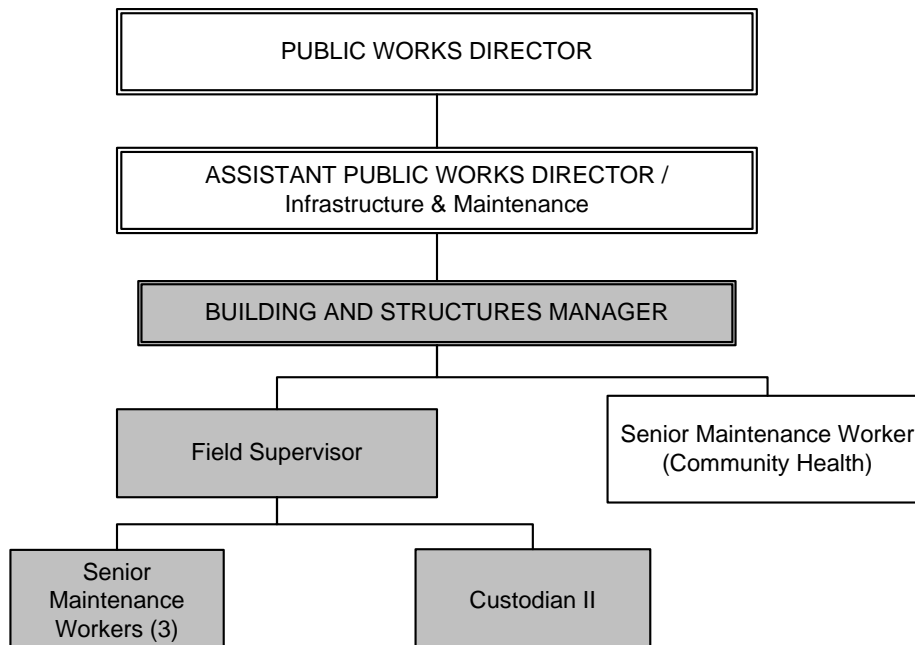
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 264,143	\$ 296,958	\$ 296,958	\$ 306,665
Contractual Services	527,394	640,320	640,320	592,370
Commodities	41,919	43,800	43,800	33,700
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 833,456	\$ 981,078	\$ 981,078	\$ 932,735

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	5.0	5.0	5.0	5.0

ORGANIZATIONAL CHART



*Shading indicates positions funded from this account

PROFILE

This division is responsible for **building maintenance** for municipal buildings except where such services are provided contractually. In addition to maintenance costs, utility costs for some buildings are paid out of this division's budget. The costs of operation of the Law Enforcement Center, which are shared with the County, are budgeted in this section.

The division provides maintenance services and/or technical support for approximately 30 facilities: City Hall; Court Services; five Public Works facilities; Fire/Medical facilities; six buildings at the Lawrence Municipal Airport; the Public Library; the Police annex facility; the Riverfront Parking Garage; New Hampshire Parking Garage and four city owned buildings occupied by community service agencies – the Arts Center, Health Care Access, Lawrence/Douglas County Senior Center, and the Community Health facility. The division also provides assistance with downtown lighting, canopies, and various buildings at cemetery. Funding is decentralized for many of these facilities.

In 2007, one of the existing maintenance worker positions was restructured to provide a field supervisor, as seen on the organization chart. The organizational changes provide more direct supervision of maintenance activities. The division manager is responsible for program planning for maintenance, custodial, and parking garage functions as well as providing some operational support for the Lawrence Municipal Airport.

CURRENT YEAR ACCOMPLISHMENTS

- Implementation of work order system for all maintenance requests.
- Completion of major renovations and maintenance on the two parking garage structures.
- Completion of downtown projects including support of lighting and electrical improvements.
- Continued to provide core maintenance functions for municipal building infrastructure.

PERFORMANCE INDICATORS

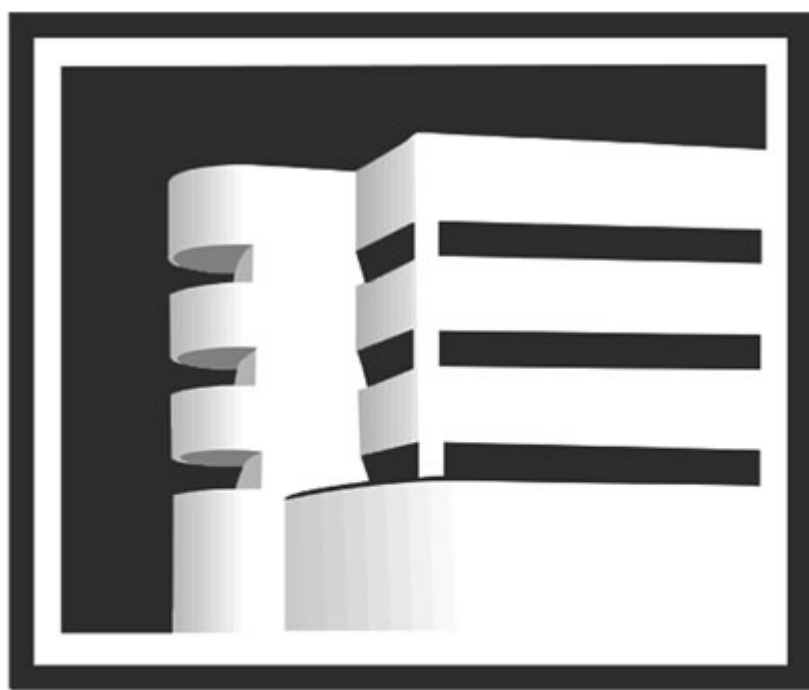
Indicator	2006 Actual	2007 Estimated	2008 Target
% of scheduled repairs completed on time	NA	NA	NA
% of emergency requests responded to within 2 hours	NA	60%	70%
% of respondents rating cleanliness of facilities as good or excellent	NA	NA	NA
% of respondents rating timeliness of repairs as good or excellent	NA	NA	NA

MAJOR GOALS AND OBJECTIVES FOR 2008

1. Refine work order system to provide comprehensive facilities maintenance information to allow for comprehensive planning.
2. Provide appropriate levels of support and responsiveness for customer departments within given budget constraints.
3. Provide core maintenance for municipal building services for all facilities assigned.
4. Provide custodial services by in-house personnel or contract where required.

SIGNIFICANT ISSUES FOR 2008

The increase in personal services can be attributed to a 2% general wage adjustment and merit increases for eligible employees. Limited resources mean a reduction in contractual services including equipment and building repairs.



City of
Lawrence

General Operating Fund

Street Lights

Account 001-3600-576

EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	551,240	610,000	610,000	630,000
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 551,240	\$ 610,000	\$ 610,000	\$ 630,000

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	NA	NA	NA	NA

PROFILE

The lighting of city streets is paid out of this account. With the exception of streetlights in the downtown area, the City does not own any streetlights. Westar Energy owns and maintains the lights. Cost for lighting varies based on the wattage of the light used and the type of pole that the light is mounted on (steel, aluminum, or wood). This account also funds electricity fees for traffic signals.

SIGNIFICANT ISSUES FOR 2008

The increase in contractual services can be attributed to the increase in billings from Westar Energy, based on the number of lights and/or approved electrical rates.

General Operating Fund

Levee Maintenance

Account 001-3700-577

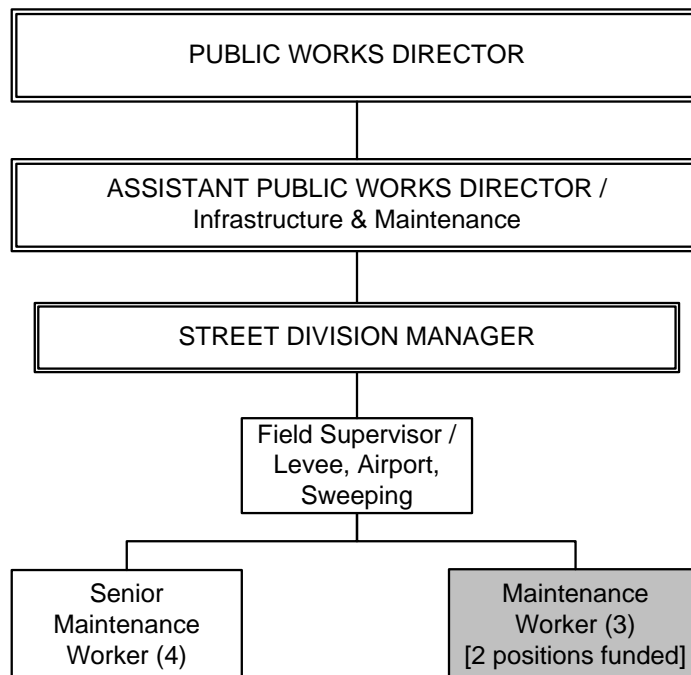
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 69,675	\$ 78,522	\$ 78,522	\$ 83,856
Contractual Services	23,045	21,000	21,000	21,000
Commodities	19,040	19,300	19,300	21,300
Capital Outlay	-	-	-	20,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 111,760	\$ 118,822	\$ 118,822	\$ 146,156

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	2.0	2.0	2.0	2.0

ORGANIZATIONAL CHART



*Shading indicates positions funded from this account

PROFILE

The **Levee maintenance** budget is for personnel, equipment, and materials to maintain the flood control levee along the Kansas River and Mud Creek. Operations are partially funded by the KAW Drainage District. This budget provides for weed control, mowing, and slope repair along the length of the levee as well as maintenance of the flood control gates. Maintenance requirements for the levee are regulated by the U.S. Army Corps of Engineers and inspected annually.

CURRENT YEAR ACCOMPLISHMENTS

- Provided mowing and weed control along the levee
- Provided maintenance of flood control gates
- Made modifications to access gates



PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
# of events requiring flood gate closures	0	1	0
# of events requiring 24 hour flood patrol	NA	1	1
% of 24-hour mandatory flood patrol completed on time	NA	100%	TBD
# of major violations identified in USACE inspection	NA	0	0

MAJOR GOALS AND OBJECTIVES FOR 2008

1. To provide continuous maintenance for levee system.
2. To meet all regulatory requirements as provided by the U.S. Army Corps of Engineers.
3. To protect North Lawrence from flooding from the Kansas River or Mud Creek.
4. To obtain policy direction on levee recertification requirements.

SIGNIFICANT ISSUES FOR 2008

The increase in personal services can be attributed to a 2% general wage adjustment and merit increases for eligible employees. The increase in capital outlay is due to the replacement of a mower and mower deck.

LEVEE MAINTENANCE

General Operating Fund

Parks / Facility Maintenance

Account 001-4500-595

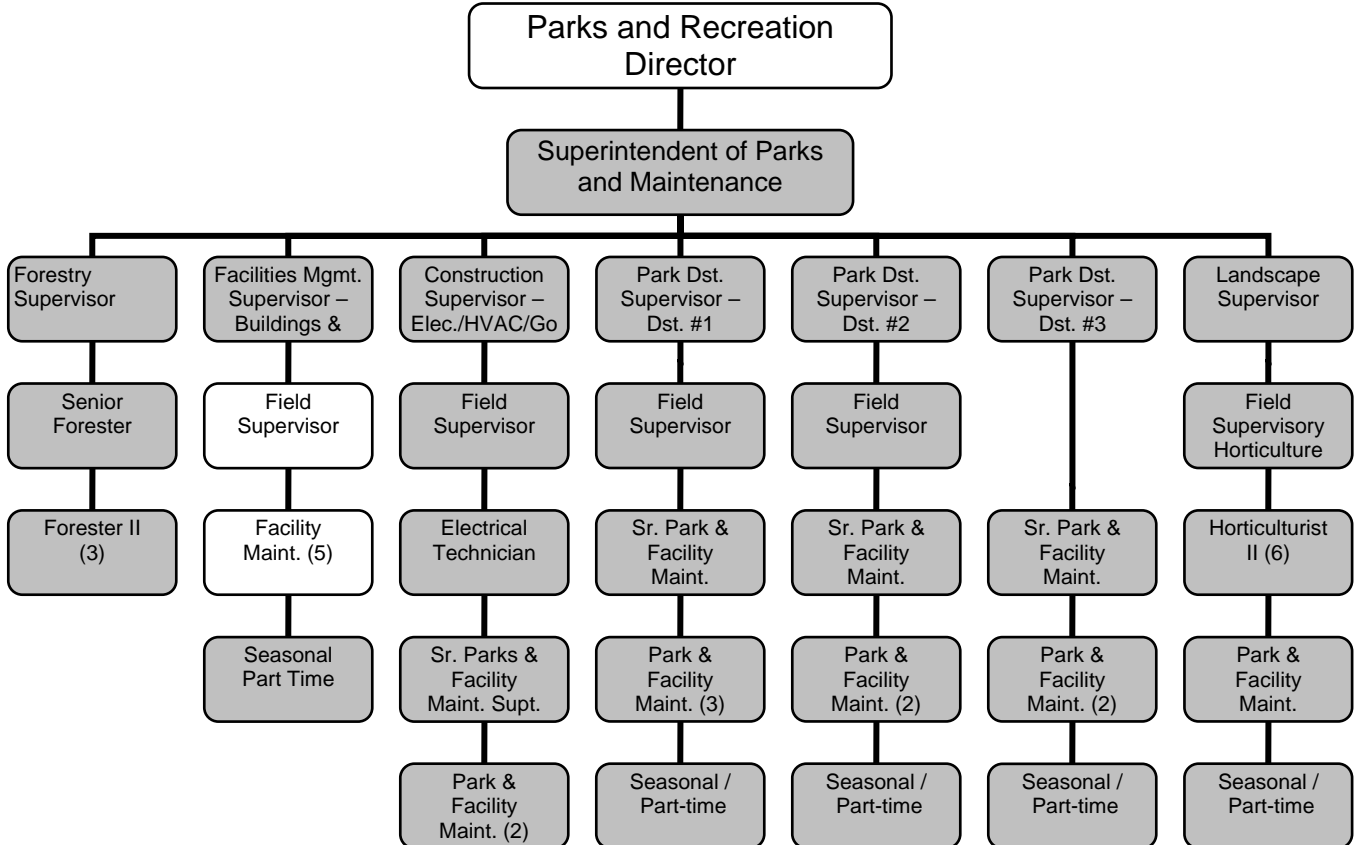
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 2,185,492	\$ 2,393,150	\$ 2,393,150	\$ 2,450,504
Contractual Services	640,289	609,965	609,965	635,900
Commodities	351,491	324,830	324,830	319,430
Capital Outlay	37,170	100,000	100,000	82,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 3,214,442	\$ 3,427,945	\$ 3,427,945	\$ 3,487,834

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	41.0	41.0	41.0	41.0

ORGANIZATIONAL CHART



*Shading indicates positions funded from this account. The Director is partially funded from this account.

PROFILE

This budget provides maintenance funding for the divisions of **Parks and Recreation** that operate under the direction of the parks & maintenance superintendent:

- Park District #1 (Includes most athletic fields and all parks in the western part of the city),
- Park District #2 (Includes many high use parks such as South Park, Centennial Park, Watson Park and all other parks in the central part of town),
- Parks District #3 (cemetery operations and all parks in north and east Lawrence),
- Facility Maintenance (maintenance of 4 recreation centers, depot, nature center, 4 pools and 3 fountains),
- Horticulture (city-wide landscape maintenance and downtown streetscape),
- Forestry (city-wide street tree maintenance and care),
- Construction (oversees park construction, electric & HVAC).

The mission of this division is to provide high quality maintenance and development of all City owned parks, trails, cemeteries, landscape areas, recreation buildings, pools, athletic fields, open spaces, street trees and nature areas.

CURRENT YEAR ACCOMPLISHMENTS

- Completed phases of South Park renovation
- Completed renovation of Clinton Park
- Completed renovation of Community Building Cardio Room
- Replaced basketball goals in Holcom Center Gym
- Upgraded infield material on ball diamonds
- Started construction on DeVictor Park
- Started construction on Burroughs Creek Park

PERFORMANCE INDICATORS

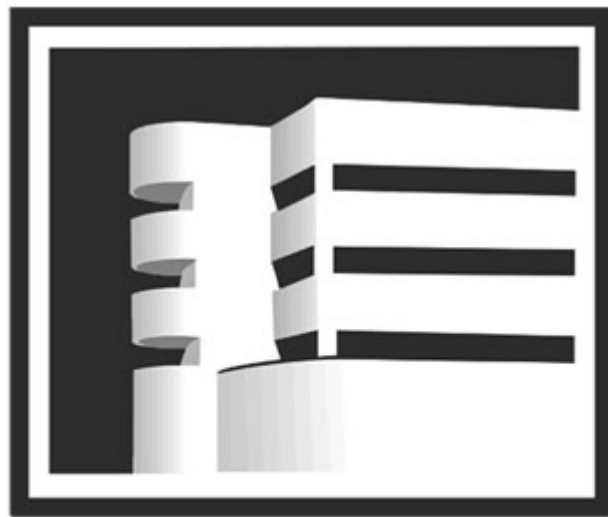
Indicator	2006 Actual	2007 Estimated	2008 Target
% of residents satisfied with appearance / cleanliness of city parks	NA	88.3%	TBD
% of residents satisfied with the condition of equipment at city parks	NA	80.7%	TBD
Number of trees planted	987	990	1,000
Number of trees removed	589	500	500
Number of trees pruned	2,150	2,000	2,000

MAJOR GOALS AND OBJECTIVES FOR 2008

1. To provide quality and efficient maintenance of all Parks and Recreation facilities.
2. To continue to propose and oversee maintenance and construction projects funded by the General Fund & Sales Tax.
3. Continue development work on the 2nd generation Park Projects.
4. Continue to make progress in the renovation of South Park and the Downtown landscape areas
5. Continue to evaluate the benefits of contractual labor vs. in-house labor.

SIGNIFICANT ISSUES FOR 2008

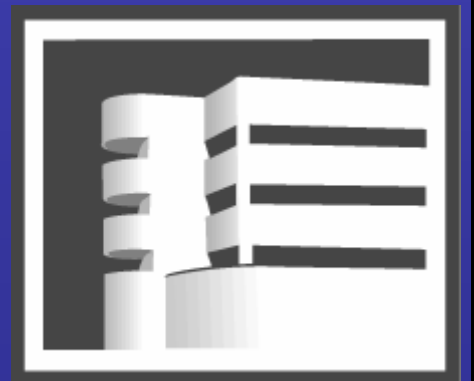
The increase in personal services can be attributed to a 2% general wage adjustment and merit increases for eligible employees.



City of
Lawrence

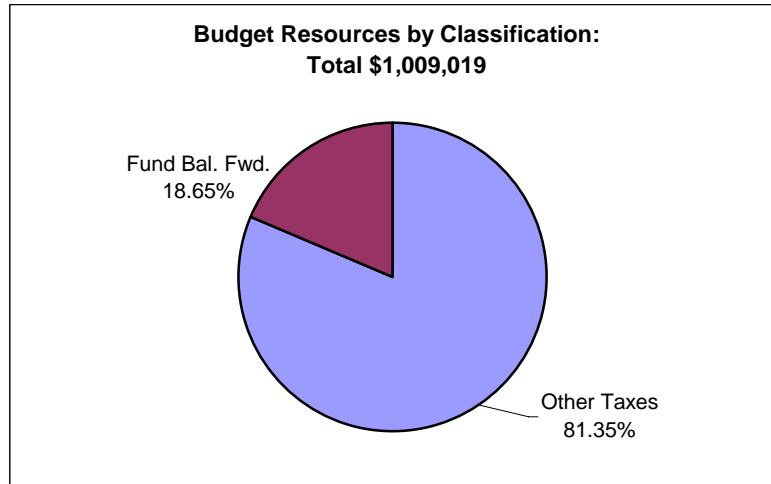


City of Lawrence, Kansas **Guest Tax Fund**



GUEST TAX FUND

Fund 206- GUEST TAX



RECEIPTS	2006 Actual	2007 Budget	2007 Estimated	2008 Budget
5% Guest Tax Income	735,915	750,000	750,000	820,800
TOTAL RECEIPTS	735,915	750,000	750,000	820,800
Balance, January 1	224,127	134,127	288,219	188,219
TOTAL RESOURCES AVAILABLE	960,042	884,127	1,038,219	1,009,019

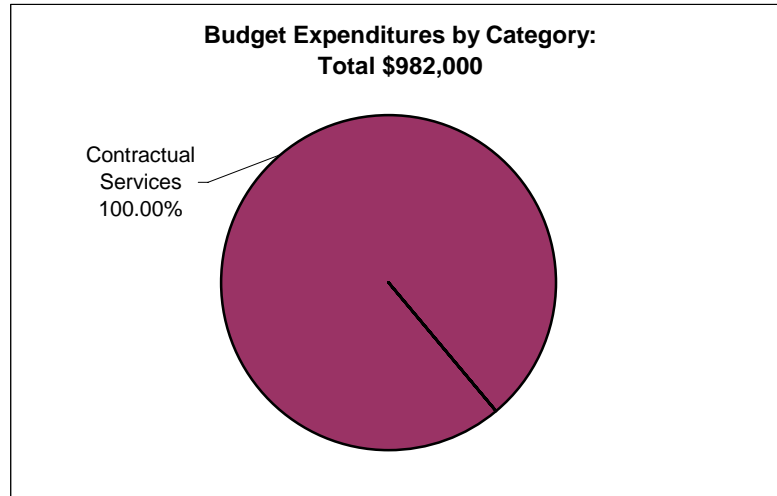
Revenue Sources - Descriptions and Trends

Revenue Sources- City Charter Ordinance No. 36 provides that, in substitution of K.S.A. 12-1698(e), a transient guest tax of five percent (raised to 5% in 2004) shall be levied upon the gross receipts derived from or paid by transient guests for sleeping accommodations, exclusive of charges for incidental services or facilities, in any hotel, motel, or tourist court in the City.

Revenue estimates are prepared by the Convention and Visitors Bureau staff for City Commission review and approval, and are based on anticipated events attracting overnight visitors to Lawrence.

Trends- The guest tax rate was increased from 4% to 5% in 2004 and revenues have increased since that time. However, according to information provided by the Lawrence Convention and Visitors Bureau, continued growth in sleeping rooms as well as meeting facilities in competing markets continues to have an effect on the Lawrence market so revenue estimates show conservative growth.

Fund 206- GUEST TAX



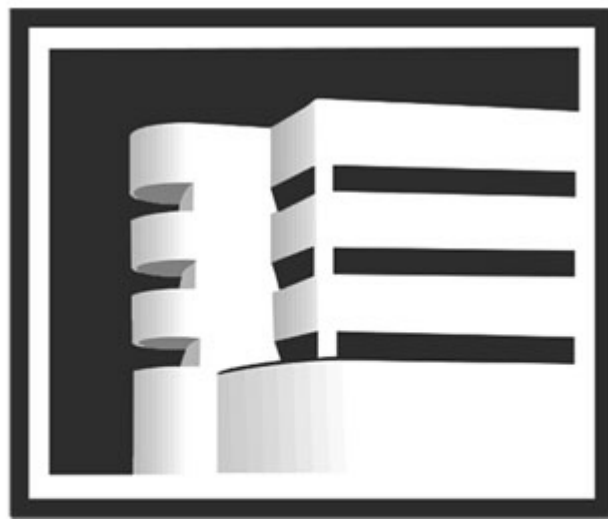
EXPENDITURES	2006 Actual	2007 Budget	2007 Estimated	2008 Budget
Convention / Tourism Contract	614,313	789,250	789,250	820,000
Sister Cities	11,360	12,000	12,000	12,000
Reserve	46,150	48,750	48,750	150,000
TOTAL EXPENDITURES	671,823	850,000	850,000	982,000
FUND BALANCE FORWARD	288,219	34,127	188,219	27,019

Expenditures - Descriptions and Trends

Convention/Tourism Contract- Under a contract between the City and the Lawrence Chamber of Commerce, transient guest tax funds are used principally to operate the Lawrence Convention and Visitors Bureau (CVB). The CVB seeks to attract visitors to Lawrence and promote Lawrence as a destination for tourism, convention, film and group tour industry. Expenditures are based on available revenues and have seen a steady increase over the years. In 2008, the CVB plans to increase advertising efforts in targeted markets.

Sister Cities- The City has two sister cities, Eutin, Germany and Hiratsuka, Japan. Moneys from this fund are used to support programs that promote our relationships with these two communities including a scholarship program to help students of limited means to participate in a student exchange program. An Administrative Policy of the City calls for an annual distribution of \$12,000 to this program.

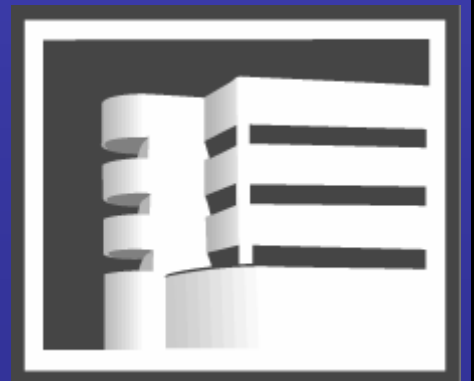
Reserve- Created by City Charter Ordinance 30, money from this fund shall be expended for such purposes as the City Commission determines promotes, enhances, maintains, or improves the tourism, visitor, or convention business of the City. An Administrative Policy of the City calls for an annual distribution of \$150,000 into the reserve.



City of
Lawrence

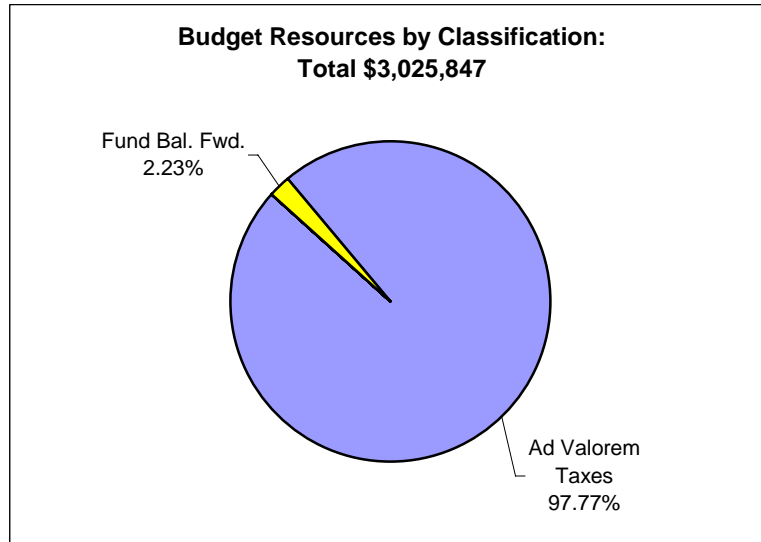


City of Lawrence, Kansas
Library Fund



LIBRARY FUND

Fund 209- LIBRARY



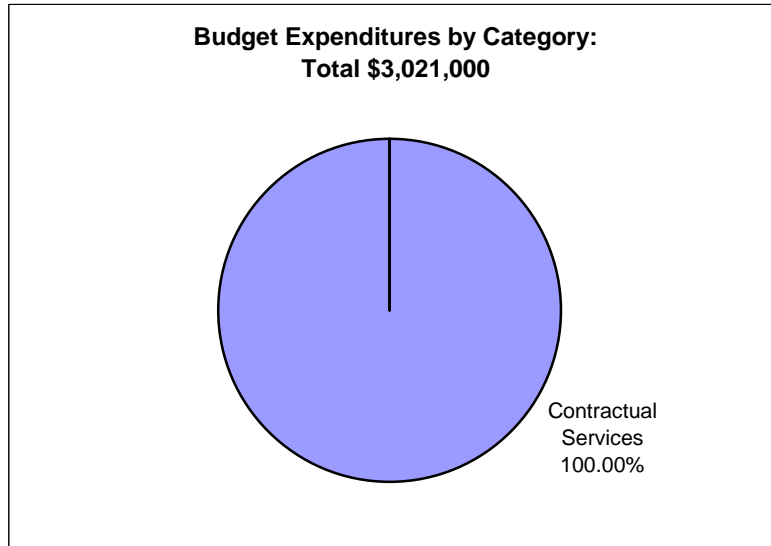
	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
RECEIPTS				
Taxes - Current	2,474,786	2,600,000	2,600,000	2,693,000
Taxes - Delinquent	39,350	20,000	20,000	20,000
Motor Vehicle Taxes	237,098	231,534	231,534	236,299
Payment in Lieu of Taxes	9,626	8,180	8,180	9,000
TOTAL RECEIPTS	2,760,860	2,859,714	2,859,714	2,958,299
Balance, January 1	155,974	96,429	157,834	67,548
TOTAL RESOURCES AVAILABLE	2,916,834	2,956,143	3,017,548	3,025,847

Revenue Sources - Descriptions and Trends

Revenue Sources - Property taxes are the major source of revenue for the Library Fund, followed by motor vehicle tax. The Lawrence Public Library anticipates receiving almost 91% of their 2008 funding from the City of Lawrence Library Fund. The remaining sources of revenue for the Library operations include State aid, grants, and income from overdue fines and misc. library services.

Trends - Non-property tax fund revenues are anticipated to be relatively flat for the Library, including interest income, State aid, and ongoing grant commitments. Continued increases in assessed property valuations and the use of fund balance have provided additional revenue necessary to fund the Library without affecting the mill levy rate associated with this fund.

Fund 209- LIBRARY



EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
Personal Services	-	-	-	-
Contractual Services	2,759,000	2,950,000	2,950,000	3,021,000
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Contingency	-	-	-	-
Transfer to Reserve	-	-	-	-
TOTAL EXPENDITURES	2,759,000	2,950,000	2,950,000	3,021,000
FUND BALANCE FORWARD	157,834	6,143	67,548	4,847

Expenditures - Descriptions and Trends

Contractual Services - Under City Charter Ordinance 16, the Governing Body of the City of Lawrence shall annually levy Ad Valorem and Motor Vehicle property taxes for the equipping, operating and maintenance of the Free Public Library of the City of Lawrence. The tax is not to exceed 4.5 mills. The Library in turn provides salaries, wages, and benefits for library staff, purchases books, non-print materials, periodicals, and library supplies, and is responsible for the ongoing operations and maintenance of the library facility.

Trends - The cost of library operations has steadily increased over the years. This trend is likely to continue, and may see a significant increase as the community explores options for development of a new library.

Fund 209- LIBRARY

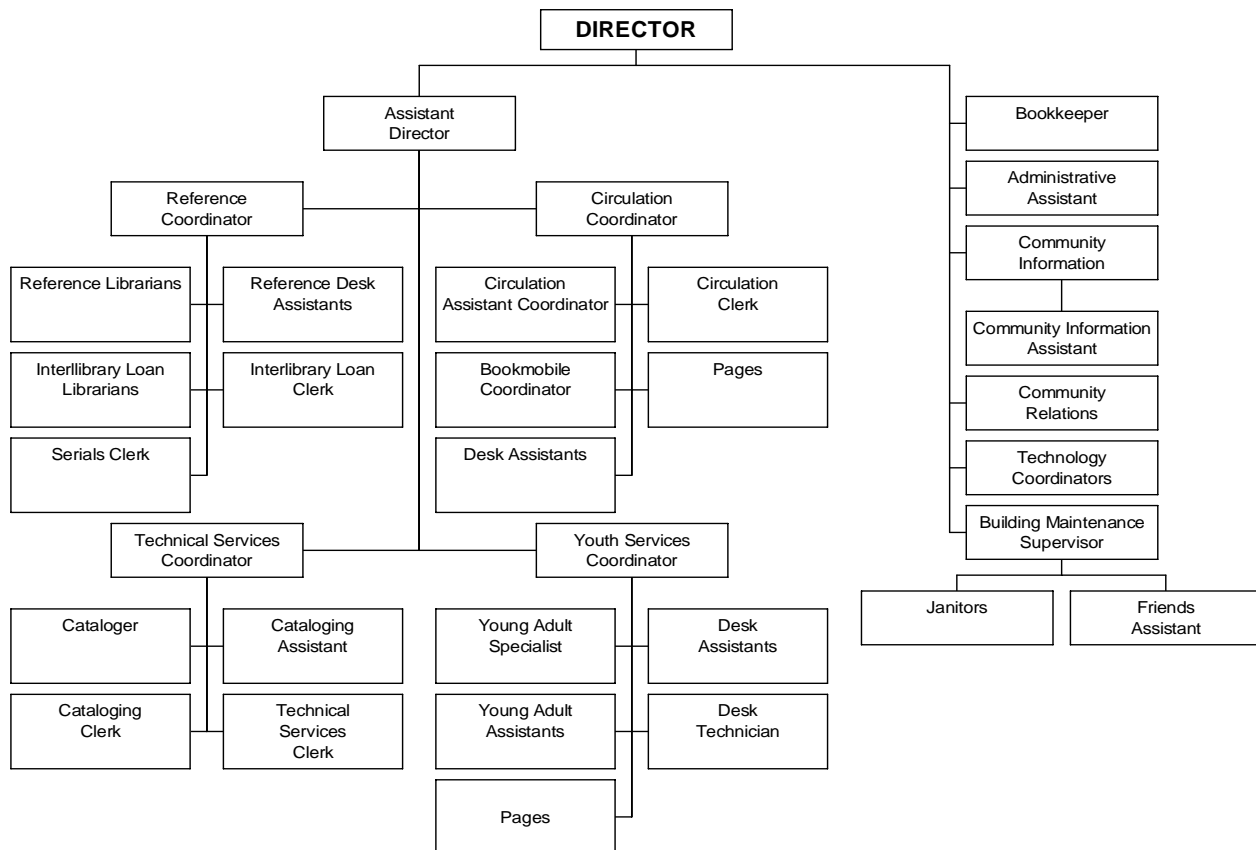
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	2,759,000	2,950,000	2,950,000	3,021,000
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 2,759,000	\$ 2,950,000	\$ 2,950,000	\$ 3,021,000

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	N/A	N/A	N/A	N/A

ORGANIZATIONAL CHART



PROFILE

The mission of the **Lawrence Public Library** is to provide and promote informational, intellectual, and cultural resources for our community.

CURRENT YEAR ACCOMPLISHMENTS

- Enhanced library promotion and marketing by continuing to promote library services through participation in community events, completing the redesign of library brochures, developing new display for boxed CD sets in the Media Room, and continuing to enhance the library website's content and interactive features.
- Supported the library expansion project by continuing to work with the Library Board and City on the library expansion project.
- Enhanced library services and customer service by developing and delivering customer service workshops for library staff members, increasing security for high-loss collections by installing a security camera system, implementing videoconferencing system, and improving materials request processing and workflows.
- Improved public safety by implementing Code Adam alert, providing periodic staff training sessions, and developing more detailed guidelines for security guards,
- Enhanced collections by continuing to enhance the Adult Fiction collection, Finalizing revisions to the *Collection Development Manual*, continuing to replace VHS movies/television shows with DVD versions, further evaluate and weed periodical display titles and back files.
- Enhanced access to collections by implementing the online library computer system's acquisitions module, reorganizing music CD collections, adding new categories as needed, and weeding / recataloging / repackaging music CD collections.
- Enhanced staff work environment by converting space in the storage room for offices and circulation check-in station.
- Enhanced staff development opportunities by enhancing orientation and training of new staff members, developing process for

allocating continuing education budget by department, and reinitiating staff wellness committee.

- Improved staff communication by implementing new staff email system and providing all staff with easy access to email and the Library intranet.

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
Circulation	1,023,697	1,100,000	12,00,000
User Visits	464,370	480,000	500,000
Website Visits	79,652	82,000	85,000
Reference transactions	101,448	105,000	110,000

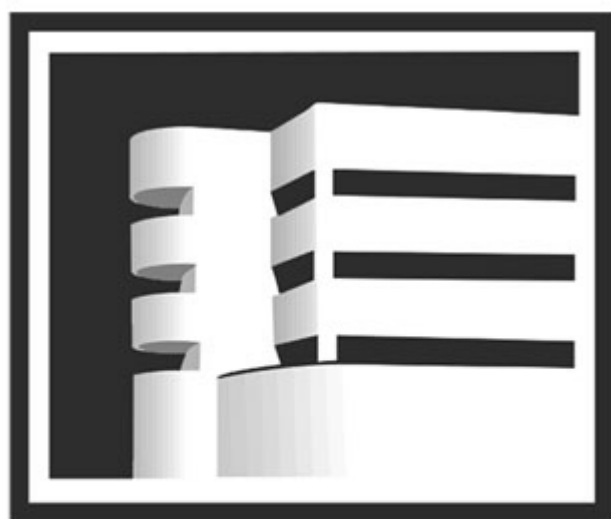
MAJOR GOALS AND OBJECTIVES FOR 2008

1. Part-time and full-time staff salary and wage increases.
2. Enhanced opportunities for staff continuing education.
3. Books and other materials funding totaling 15 percent of the overall library budget request (the minimum allowable to receive regional library system grant funding).
4. Implementation of open, self-serve reserve pickup shelves.

SIGNIFICANT ISSUES FOR 2008

Additional library security hours and additional security cameras needed. Meeting room booking should be enhanced by implementation of automated, online system. Internet bandwidth enhancement required to respond to patron complaints and accommodate additional bandwidth requirements imposed by videoconferencing applications. Additional staffing needed to provide adequate levels of technology support.

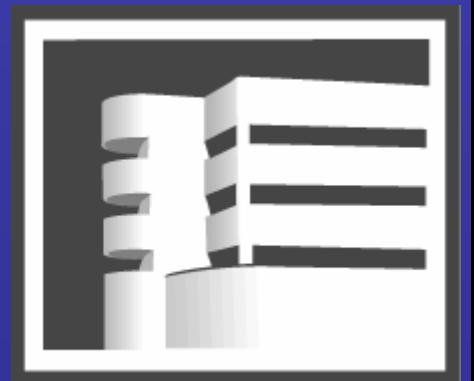
LIBRARY



City of
Lawrence

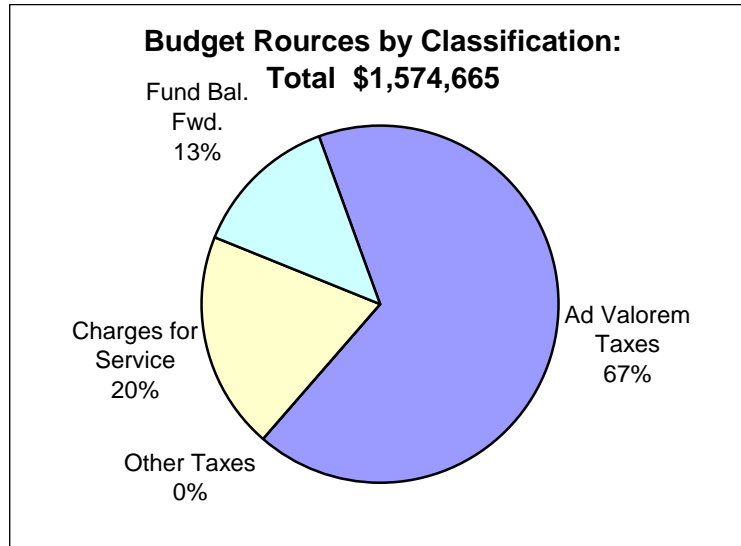


City of Lawrence, Kansas **Public Transit Fund**



PUBLIC TRANSPORTATION FUND

Fund 210 – PUBLIC TRANSPORTATION



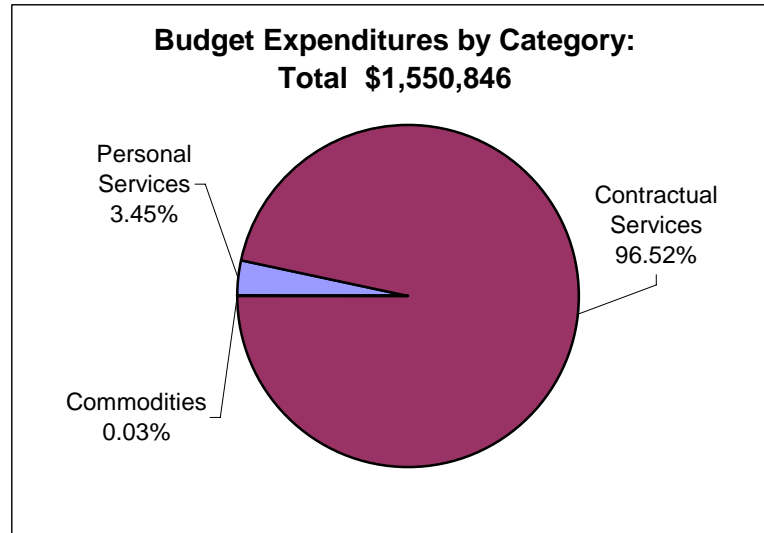
	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
RECEIPTS				
Ad Valorem - Current Taxes	478,462	595,000	595,000	967,500
Ad Valorem - Delinquent Taxes	21,703	30,000	30,000	30,000
Motor Vehicle Taxes	98,943	44,797	44,797	54,105
Payment in Lieu of Taxes	1,864	1,836	1,836	1,500
Intergovernmental Revenues	-	-	-	-
Fare Box Receipts	181,642	165,000	175,000	312,300
Interest on Investments	-	-	-	-
Miscellaneous	42,982	-	-	-
TOTAL RECEIPTS	825,596	836,633	846,633	1,365,405
Balance, January 1	1,404,674	941,665	875,485	209,260
TOTAL RESOURCES AVAILABLE	2,230,270	1,778,298	1,722,118	1,574,665

Revenue Sources - Descriptions and Trends

Revenue Sources - Property taxes are the major source of revenue for the Public Transportation Fund, followed by motor vehicle tax. Revenue from fare box receipts continues to increase as the system grows and matures. The funding received from outside agencies (e.g. federal grants) is not reflected in the revenue sources for this fund, but is tracked through a non-budgeted outside agency fund set up as a "pass through" fund for designated purchases and operations that satisfy the conditions of the grant.

Trends - Due to the anticipated fund balance, it has been possible to decrease the mill levy in the past. However, the rising cost of expenditures required an increase in the mill levy in 2007 and it is necessary to increase the levy in 2008 to maintain existing service levels. Fare box revenues have increased due to growth in ridership and an increase in fares in 2007.

Fund 210 – PUBLIC TRANSPORTATION



EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
Personal Services	39,321	90,028	90,028	53,493
Contractual Services	1,311,747	1,654,095	1,418,716	1,496,853
Commodities	3,717	7,300	1,114	500
Capital Outlay	-	3,000	3,000	-
Debt Service	-	-	-	-
Contingency	-	-	-	-
Transfer to Other Funds	-	-	-	-
TOTAL EXPENDITURES	1,354,785	1,754,423	1,512,858	1,550,846
FUND BALANCE FORWARD	875,485	23,875	209,260	23,819

Expenditures - Descriptions and Trends

Personal Services - The cost of providing wages, salaries, retirement, and other fringe benefits for City employees. The decrease in 2008 is due to a decrease in the percentage of these costs paid from this fund. A larger percentage will be paid with outside agency funding (e.g. state and federal grants.)

Contractual Services - 2008 will be the fifth and final year of a contract with MV Transportation, Inc. (MV) for the provision of public transit services. MV was selected by the City Commission based on their Request for Proposal submitted in 2003. The contractual services expenditure level is adjusted each year to reflect contract conditions with MV.

Fund 210 – PUBLIC TRANSPORTATION

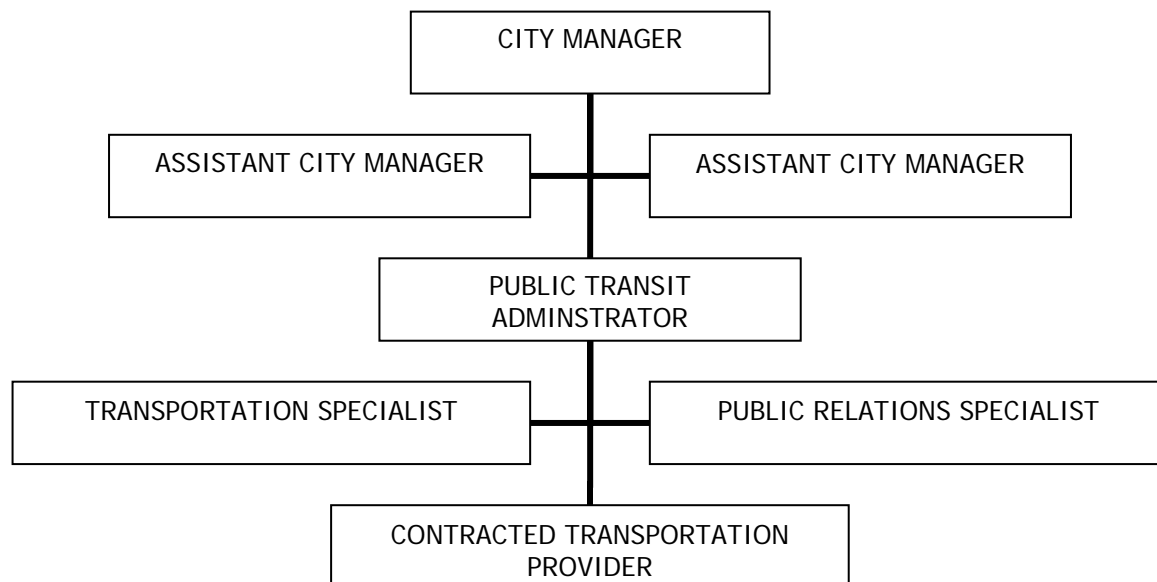
EXPENDITURE SUMMARY

Expenditures	Actual	Adopted	Estimate	Budget
Personal Services	\$ 39,321	\$ 90,028	\$ 90,028	\$ 53,493
Contractual Services	1,311,747	1,654,095	1,654,095	1,570,603
Commodities	3,717	7,300	7,300	500
Capital Outlay	-	3,000	3,000	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 1,354,785	\$ 1,754,423	\$ 1,754,423	\$ 1,624,596

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	1.00	1.00	1.00	0.40

ORGANIZATIONAL CHART



PROFILE

The **Public Transit Department** is responsible for all aspects of the City's transit program including providing safe, accessible and reliable transportation service in the community.

The department primarily provides oversight activities of the public transit provider contract which operates our fixed route and paratransit service and is charged with ADA eligibility certification. The department follows all federal, state and local regulations in relation to procurement, contract negotiation and oversight.

The department is responsible for fiscal management of federal, state and local funds. Additional responsibilities include the development of policies and procedures for the transit system; short and long-range planning and implementation of service improvements; public education/outreach, travel training, and marketing activities to increase public awareness about service availability and its benefits; and coordination of transit needs in the community.

CURRENT YEAR ACCOMPLISHMENTS

- Dialogue between City and University of Kansas continue in an effort to further coordinate and improve transit services in the community.
- Collaboration with Johnson County Transit, KDOT, and area colleges to launch K-10 Connector commuter service. The service began in January, linking college campuses in Lawrence and Johnson County.
- Continued meetings with various school groups, employers, and seniors at residential apartment complexes about the availability of transit services in the community and how the service can benefit them.

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
Passengers per vehicle hour on fixed route	9.86	9.86	9.86
Passengers per vehicle hour on paratransit	2.43	2.47	2.5

Miles between total road calls	6,432	6,300	6,000
Passenger complaints per 1,000 riders	.04	.09	.05
Farebox & Pass Sales as % of Operating Expense	5.43%	7%	10%
% residents satisfied with service frequency	NA	38%	TBD
% of residents satisfied with # of destinations served	NA	39%	TBD

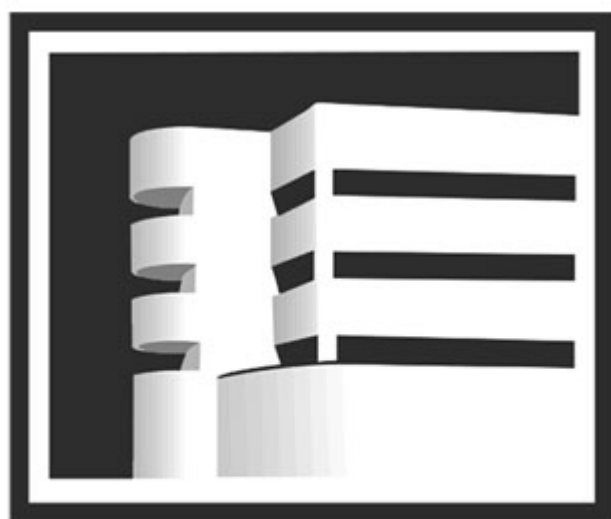
*- projected based on fares increasing.

MAJOR GOALS AND OBJECTIVES FOR 2008

1. Procure the services of a contracted transit provider for fixed-route and paratransit operations beyond FY08.
2. Pursue sufficient Federal, state and local funding to continue to replace fixed-route and paratransit vehicles that have fulfilled their manufacturer useful service requirements.
3. Maintain existing service levels and work towards obtaining funding necessary for implementing service improvements expressed by the public, such as: increasing transit coordination efforts with KU, increasing transit service frequency on all routes, extending service hours later into the evening, adding a north/south route in West Lawrence, and adding Sunday service.

SIGNIFICANT ISSUES FOR 2008

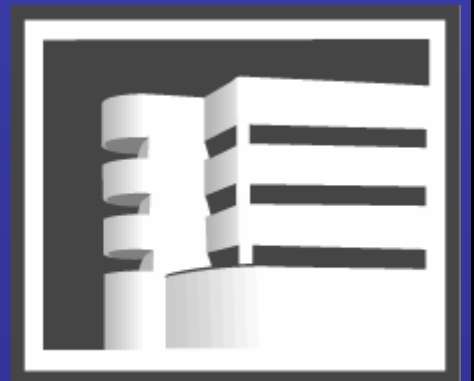
Maintaining current service levels based on City budgetary concerns; procuring the services of a contracted transit provider beyond 2008; coordinating with KU regarding contracted transit services, and obtaining funding to replace fixed-route transit vehicles.



City of
Lawrence

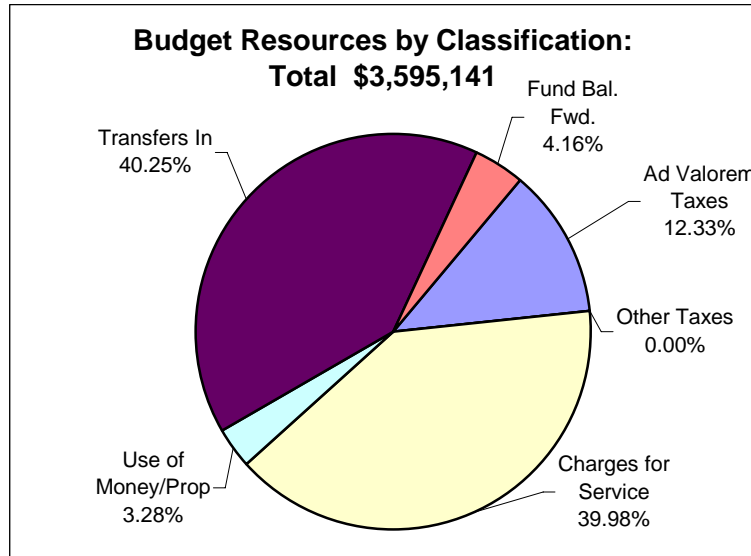


City of Lawrence, Kansas
Recreation Fund



RECREATION FUND

Fund 211 – RECREATION



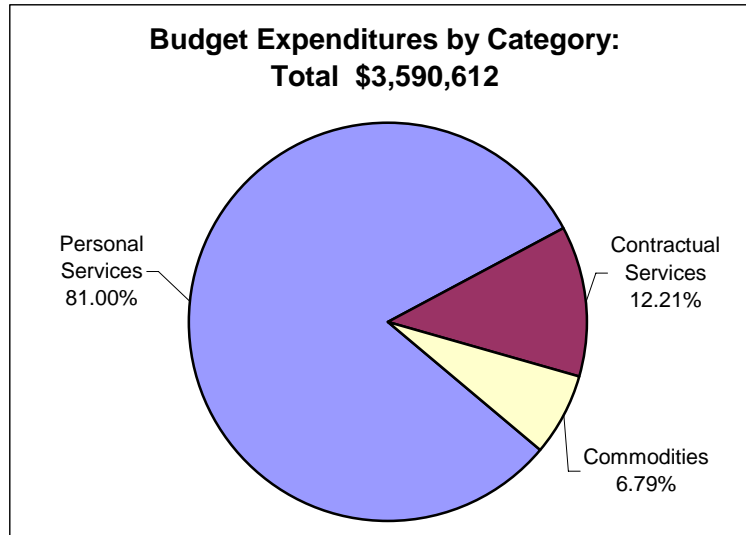
	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
RECEIPTS				
Taxes - Current	307,837	385,000	385,000	399,000
Taxes -Delinquent	6,854	14,000	14,000	8,000
Motor Vehicle Taxes	28,741	28,766	28,766	34,958
Payment in Lieu of Taxes	1,197	1,188	1,188	1,200
Fees	465,798	473,000	473,000	503,000
Aquatic Programs	550,278	560,000	560,000	644,350
Building Rental	94,769	95,000	95,000	95,000
Concessions	6,522	6,000	6,000	6,000
Special Populations	49,569	55,350	55,350	52,000
Field Rent	8,917	23,000	23,000	23,000
Class Enrollment	237,568	225,000	225,000	232,000
Miscellaneous	2,861	5,000	5,000	-
Transfer from General Fund	1,400,000	1,400,000	1,400,000	1,447,000
TOTAL RECEIPTS	3,160,911	3,271,304	3,271,304	3,445,508
Balance, January 1	488,560	203,550	351,927	149,633
TOTAL RESOURCES AVAILABLE	3,649,471	3,474,854	3,623,231	3,595,141

Revenue Sources - Descriptions and Trends

Revenue Sources- Sales tax, property taxes, and user fees derived from recreational and cultural events are the major sources of revenue for the Recreation Fund. User fees include the programs and classes available at the City's community recreation centers, the aquatic centers, and other miscellaneous sites and venues. Revenue from the countywide sales tax is transferred from the General Fund to the Recreation Fund in order to provide support for the Aquatic Center and the Nature Center.

Trends- An increase in aquatic fees is budgeted for 2008 and a modest growth in attendance is expected to continue. The mill levy has remained relatively stable despite relatively flat revenues due to continued increases in assessed valuation over the years.

Fund 211 – RECREATION



EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
Personal Services	2,582,630	2,788,926	2,788,926	2,884,057
Contractual Services	394,944	444,580	444,580	434,655
Commodities	282,630	240,092	240,092	241,900
Capital Outlay	37,340	-	-	-
Debt Service	-	-	-	-
Contingency	-	-	-	30,000
Transfer to Other Funds	-	-	-	-
TOTAL EXPENDITURES	3,297,544	3,473,598	3,473,598	3,590,612
FUND BALANCE FORWARD	351,927	1,256	149,633	4,529

Expenditures - Descriptions and Trends

Personal Services - Cost of providing wages, salaries, retirement, and other fringe benefits for City employees and to some extent, part-time, seasonal staff. Increases have continued due to projected merit increases for eligible employees. Additionally, the City's share of the per employee health care costs have continued to rise.

Contractual Services - Services provided to the City by firms, individuals, or other City departments. Expenditures have fluctuated in order to stay within revenue constraints over the years.

Fund 211 – RECREATION

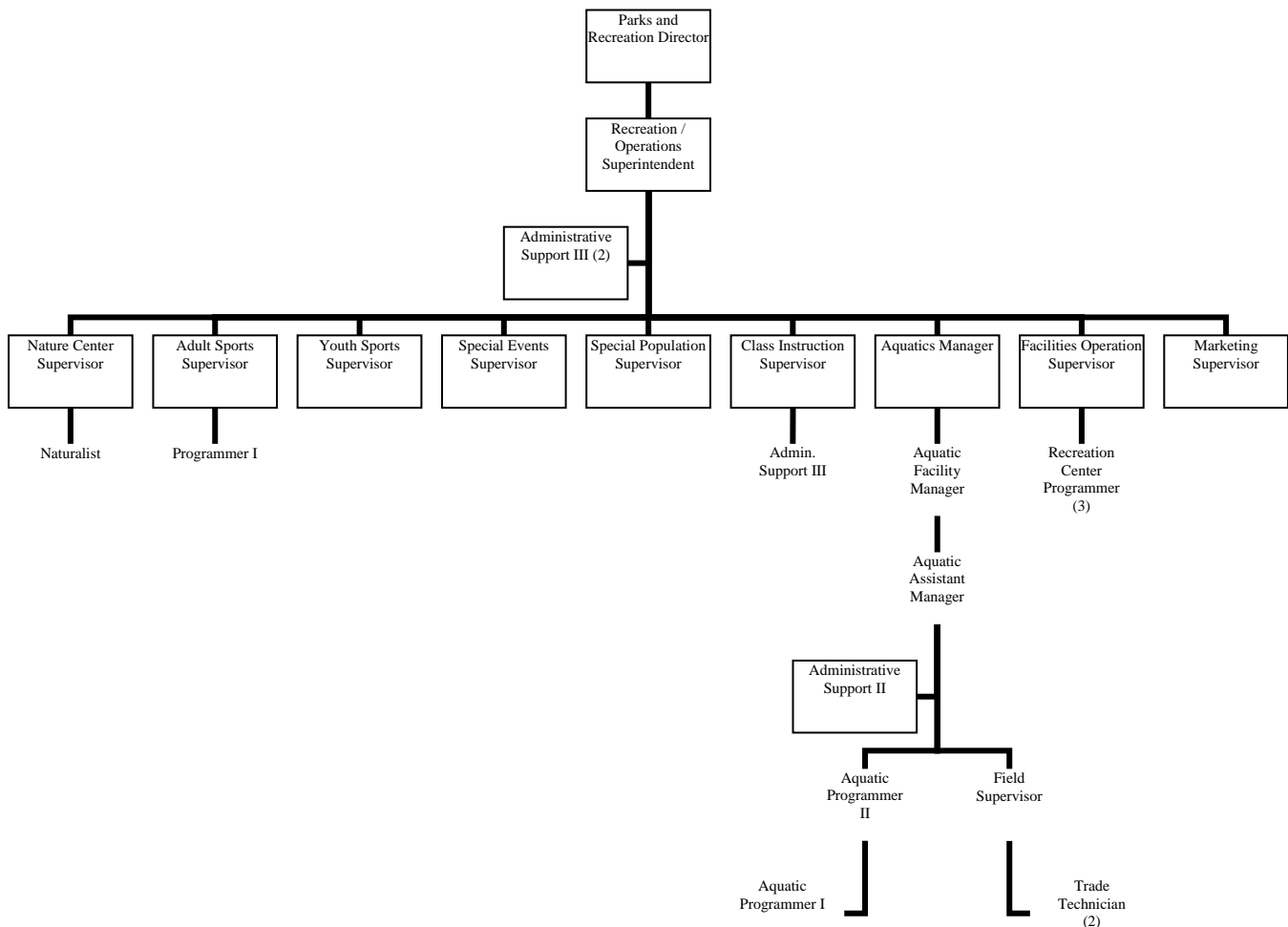
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 2,582,630	\$ 2,788,926	\$ 2,788,926	\$ 2,884,057
Contractual Services	\$ 394,944	444,580	444,580	434,655
Commodities	\$ 282,630	240,092	240,092	241,900
Capital Outlay	\$ 37,340	-	-	-
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	3,297,544	3,473,598	3,473,598	3,560,612

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	28.78	28.78	28.78	28.78

ORGANIZATIONAL CHART



PROFILE

The **recreation** division of the Department of Parks and Recreation is responsible for providing a broad cross-section of recreation programs and services that meet the needs of the citizens of Lawrence. The division is directly responsible for staffing, scheduling, operating and programming of five recreation centers, four swimming facilities, the tennis center, softball/baseball/soccer/football complexes and a wide variety of multipurpose play areas.

This division provides programming to all populations including special needs that include fitness, fine arts, crafts, dance, performance arts, sports, aquatics, special events, trips and leisure classes. The program's thrust is to educate citizens on the effective use of leisure time and to provide a setting that will accommodate these needs. The division coordinates and co-sponsors many of its activities with other public, private and civic organizations. These cooperative efforts have fostered the development of cost effective community projects and facilities.

CURRENT YEAR ACCOMPLISHMENTS

- Celebrated 60th Year as an organized agency in the community
- Continue to increase fundraising efforts for the Youth Scholarship Fund and provided \$15,000 in scholarships for Lawrence youth to participate in activities and programs
- Had nearly 120,000 visits to department website
- Received gifts and in-kind services totaling over \$254,000 through the Friends of the Park Program
- 18% increase in enrollments via the web and developed 40 new recreational offerings
- Monthly passes at Aquatic centers rose 17.9 percent and provided over 15,000 free swims to youth and senior organizations
- Nature Center staff increased off-site nature programs by 150 percent and added a Great-horned Owl and Prairie Dog displays.

PERFORMANCE INDICATORS

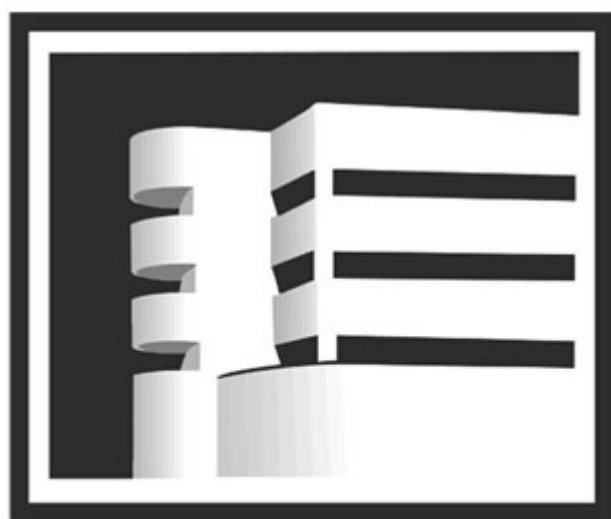
Indicator	2006 Actual	2007 Estimated	2008 Target
% Leisure program as satisfied or very satisfied	90.6%	92%	95%
% Facility reservation system as satisfied or very satisfied	90.6%	92%	95%
% residents satisfied with City recreation facilities	NA	71.2%	TBD
% residents satisfied with the City's indoor aquatic facility	NA	78.7%	TBD
% residents satisfied with the City's outdoor aquatic facilities	NA	76.7%	TBD

MAJOR GOALS AND OBJECTIVES FOR 2008

1. Marketing of programs and facilities to the public along with continued web site advancements.
2. Increase our customer service to the public.
3. More large space activity areas for gymnastics, sports and fitness programs.
4. Increase knowledge and amount or the life-long (senior) recreation programs.

SIGNIFICANT ISSUES FOR 2008

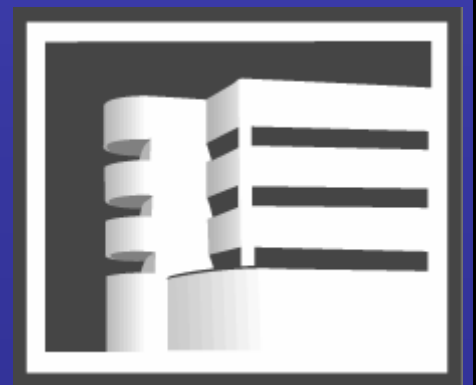
Increases in personal services can be attributed to a 2% general wage adjustment, merit increases for eligible employees, and an increase in the City share of employee health care costs. However, all operational budget requests for 2008 are covered by projected revenue increases.



City of
Lawrence

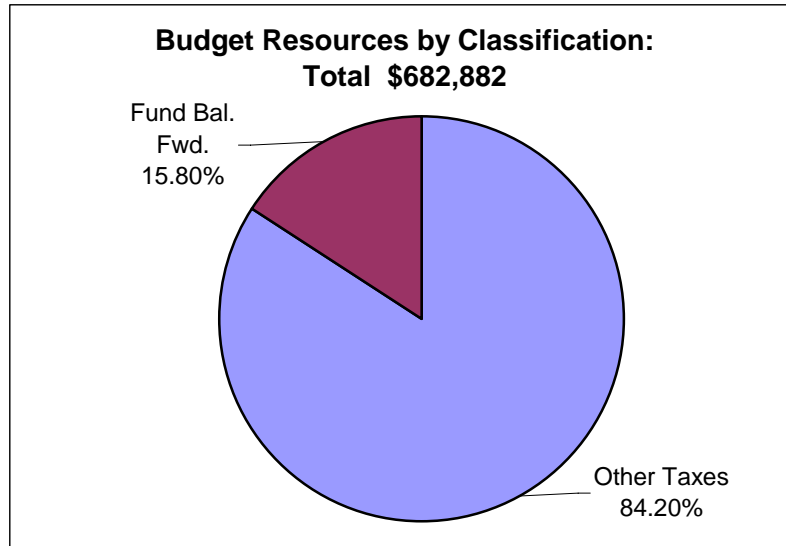


City of Lawrence, Kansas
Special Alcohol Fund



SPECIAL ALCOHOL FUND

Fund 213 – SPECIAL ALCOHOL



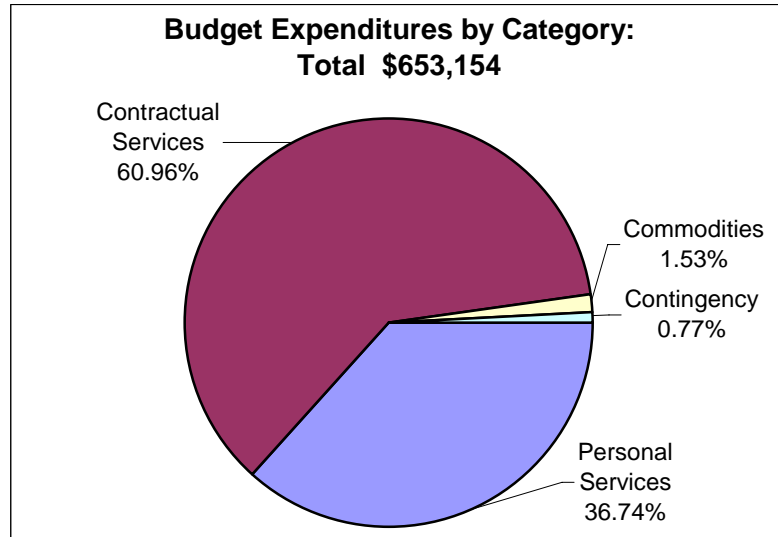
	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
RECEIPTS				
Liquor Tax	543,415	550,000	550,000	575,000
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	543,415	550,000	550,000	575,000
Balance, January 1	252,726	132,726	184,781	107,882
TOTAL RESOURCES AVAILABLE	796,141	682,726	734,781	682,882

Revenue Sources - Descriptions and Trends

Revenue Sources- Under K.S.A. 79-41a04, cities receive 70% of the funds collected by the state from clubs or drinking establishments located within the city, from caterers whose principal places of business are in the city, or from temporary permit holders whose events are located in the city. These moneys are allocated evenly between the city's General Operating Fund, Special Recreation Fund, and Special Alcohol Fund. Moneys in this Special Alcohol Fund must be used for the "purchase, establishment, maintenance or expansion of services or programs whose principal purpose is alcoholism and drug abuse prevention and education, alcohol and drug detoxification, intervention in alcohol and drug abuse or treatment of persons who are alcoholics or drug abusers or are in danger of becoming alcoholics or drug abusers". Charter Ordinance #33 establishes these criteria for the disbursement of funds in the Special Alcohol Fund.

Trends- Historically, this fund has seen annual increases in the total receipts collected by the state via the liquor tax. The state legislature has continued to discuss the idea of reducing or eliminating this sharing of liquor tax revenue in light of the state's budget woes. Lobbying by the municipalities, state and local parks/recreation organizations and others has assisted in keeping the current law intact but projected increases in revenues remain conservative.

Fund 213 – SPECIAL ALCOHOL



EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
Personal Services	-	-	-	240,000
Contractual Services	608,019	641,899	626,899	398,154
Commodities	3,341	-	-	10,000
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Contingency	-	10,000	-	5,000
Transfer to Other Funds	-	-	-	-
TOTAL EXPENDITURES	611,360	651,899	626,899	653,154
FUND BALANCE FORWARD	184,781	30,827	107,882	29,728

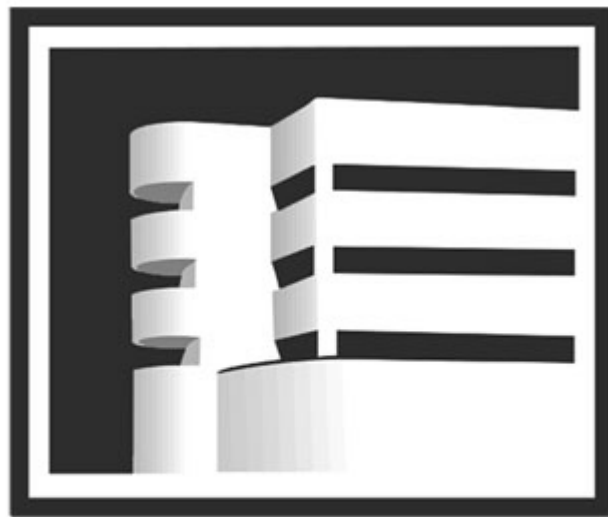
Expenditures - Descriptions and Trends

Personal Services - Beginning in 2008, expenditures related to the salary and benefits for three of the City's School Resource Officers, who provide drug and alcohol prevention training at Lawrence Public Schools, will be funded out of the Special Alcohol Fund.

Contractual Services - Per Section I, Article 14 of the City Code, the Special Alcohol Advisory Board reviews all applications for funding and makes recommendations to the City Commission during the annual budget process. The City Commission authorized the following agencies for funding in 2008:

Ballard Community Center	\$ 15,000	KU-Organizations and Activities	\$ 0
Bert Nash (WRAP)	0	Lawrence Community Shelter	30,000
Big Brothers/Big Sisters CORE	30,000	Lawrence Memorial Hospital	0
Boys & Girls Club of Lawrence	100,000	Lawrence Memorial Hospital	0
DCCCA	79,819	Lawrence Police Department	0
DCCCA d/b/a First Step House	29,150	Lawrence Public Schools	0
DCCCA Com. Coord.	18,435	Pelathe Community Resource Center	0
Headquarters, Inc - First Call	23,750	Van Go Mobile Arts, Inc.	47,500
Hearthstone	7,500	Women's Transitional Care Services	17,000

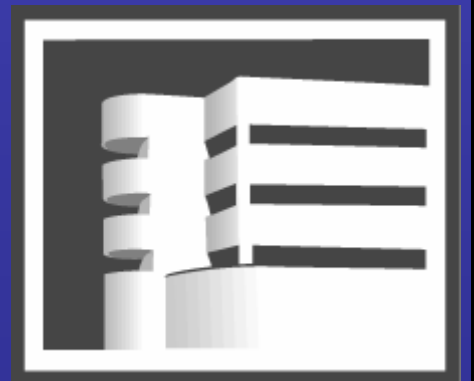
Commodities – Beginning in 2008, some supplies and equipment related to the City's School Resource Officer program will be funded out of the Special Alcohol Fund.



City of
Lawrence

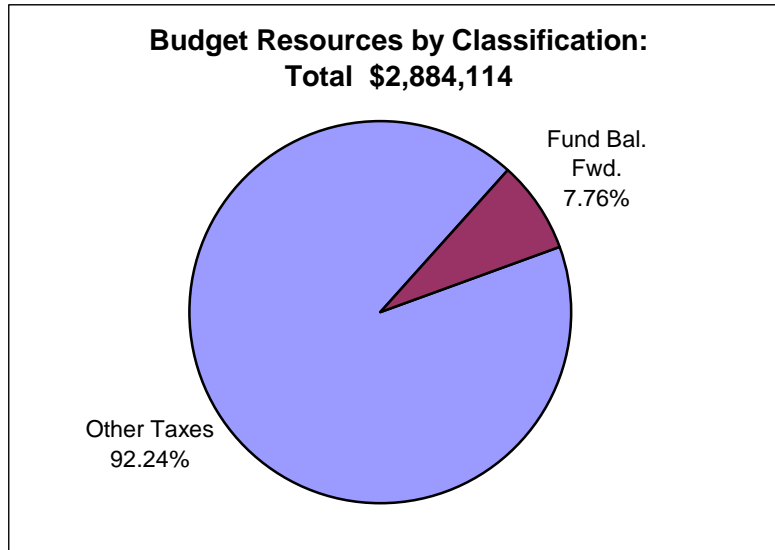


City of Lawrence, Kansas
Special Gas Tax Fund



SPECIAL GAS TAX FUND

Fund 214 – SPECIAL GAS TAX



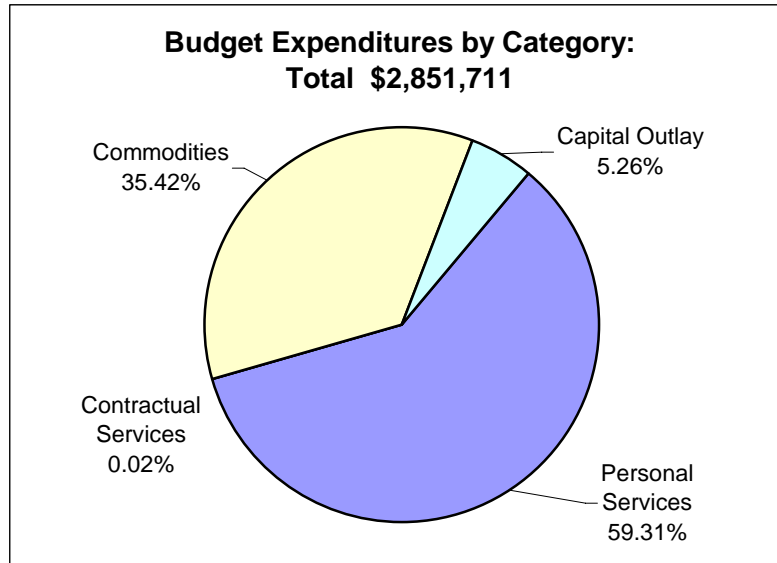
RECEIPTS	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
Fuel Tax	2,532,556	2,629,770	2,629,770	2,660,391
Miscellaneous	17,353	-	-	-
TOTAL RECEIPTS	2,549,909	2,629,770	2,629,770	2,660,391
Balance, January 1	547,857	315,786	509,378	223,723
TOTAL RESOURCES AVAILABLE	3,097,766	2,945,556	3,139,148	2,884,114

Revenue Sources - Descriptions and Trends

Revenue Sources- Fuel tax is a tax levied by the state, under K.S.A. 79-3401 et. seq., on motor vehicle fuel for the purpose of defraying in whole, or in part, the cost of constructing, widening, purchasing of right-of-way, reconstructing, maintaining, surfacing, resurfacing and repairing public highways and roads, including the payment of bonds issued for highways included in the state system. State law provides that the State apportion motor vehicle tax revenue to cities and counties in Kansas. Money is allocated to cities based on the population of each city in proportion to the total population of the state. State law also requires counties to give a portion of the fuel tax revenue they receive to cities. Douglas County credits 90% of the funds received from the State to their road and bridge fund and allocates the remainder among the several cities in the county. Revenues must be used for the construction, reconstruction, alteration, repair and maintenance of the streets and highways, and for the payment of bonds and interest thereon.

Trends- Historically, revenues have increase modestly for this fund although the tax rate per gallon (\$0.24/gallon gasoline, \$0.26/gallon diesel) has not increased since 2003. However, only a slight increase is projected for 2008 due to the continued fluctuation in fuel costs and the effects on sales statewide.

Fund 214 – SPECIAL GAS TAX



EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
Personal Services	1,538,891	1,645,945	1,645,945	1,691,231
Contractual Services	37,707	480	480	480
Commodities	901,205	1,125,000	1,125,000	1,010,000
Capital Outlay	110,585	144,000	144,000	150,000
Debt Service	-	-	-	-
Contingency	-	-	-	-
Transfer to Other Funds	-	-	-	-
TOTAL EXPENDITURES	2,588,388	2,915,425	2,915,425	2,851,711
FUND BALANCE FORWARD	509,378	30,131	223,723	32,403

Expenditures - Descriptions and Trends

Personal Services- Cost of providing wages, salaries, retirement, and other fringe benefits for City employees and to some extent, part-time, seasonal staff. Increases continue due to projected merit increases for eligible employees. Additionally, the City's share of employee health care costs has continued to increase over time.

Contractual Services - An allowance for jeans is provided for employees. This program began in 2006 as way to reduce expenditures by reducing the cost of providing uniforms. The level of funding is expected to remain stable.

Commodities - This includes expenditures for the chip and seal program, overlay program, and curb repair program. Funds are also included for sidewalk repairs. While the cost of these items has increased, funding is based on available resources and therefore a slight decrease is budgeted for 2008.

Capital Outlay - Cost of equipment used to repair streets and remove snow and ice. Funding for Capital Outlay has fluctuated to stay within revenue constraints over the years.

Fund 214 – SPECIAL GAS TAX

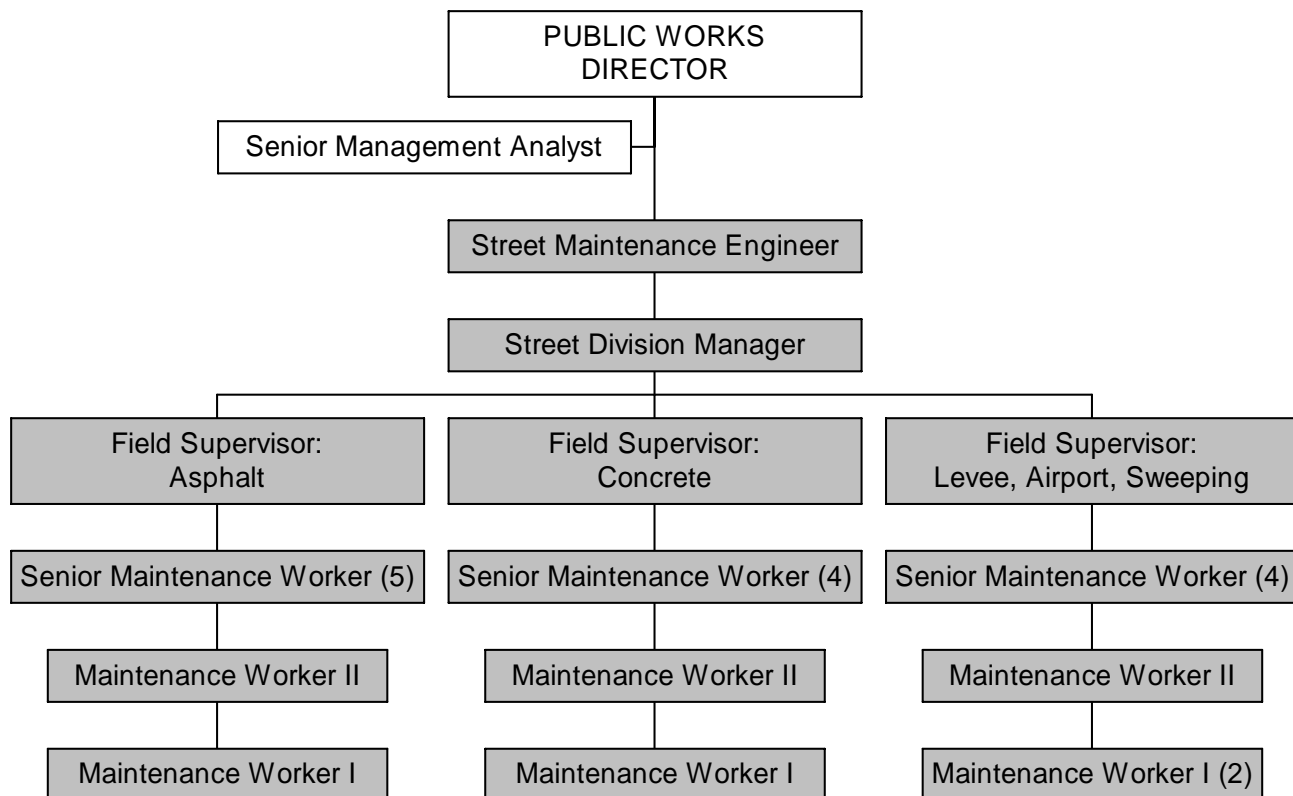
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 1,538,891	\$ 1,645,945	\$ 1,645,945	\$ 1,691,231
Contractual Services	37,707	480	480	480
Commodities	901,205	1,125,000	1,125,000	1,010,000
Capital Outlay	110,585	144,000	144,000	150,000
Debt Service	-	-	-	-
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 2,588,388	\$ 2,915,425	\$ 2,915,425	\$ 2,851,711

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	25.50	25.50	25.50	25.50

ORGANIZATIONAL CHART



PROFILE

The City receives revenue generated by the state motor fuel tax and receives a share of Douglas County's receipts from property taxes collected on motor vehicles. These funds must be credited to a separate fund and used only for roadway maintenance. The activities are the same as those described in the **street maintenance division** budget including routine maintenance of the City's streets and snow and ice control. The Special Gas Tax fund is also a significant source of funding for the annual contracts for the Overlay and Curb Repair programs.

CURRENT YEAR ACCOMPLISHMENTS

- Performed concrete and asphalt repair, and crack sealing programs
- Provided dependable snow removal and ice control operations
- Increased crack-sealing program with significant contracted program, placing five times the material placed in 2004
- Street sweeping completed for approximately 6900 lane miles
- Significant repair projects completed on Wakarusa, Clinton Parkway and Kasold, and Iowa



PERFORMANCE INDICATORS

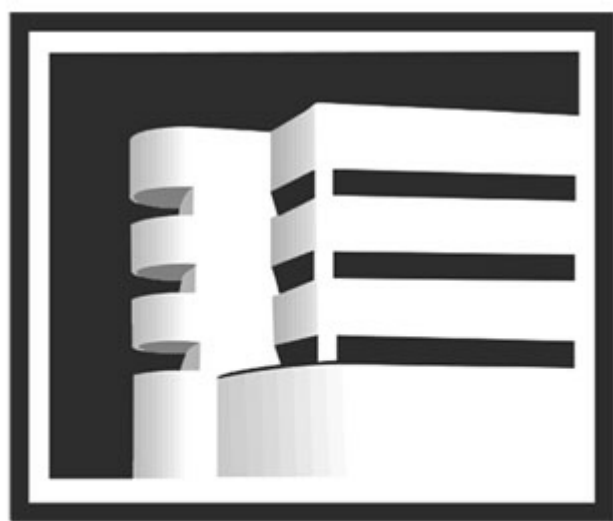
Indicator	2006 Actual	2007 Estimated	2008 Target
% residents satisfied with snow removal on major city streets	NA	75.8%	TBD
% residents satisfied with the condition of major city streets	NA	40.2%	TBD
% residents satisfied with the timeliness of street maintenance repairs	NA	27.7%	TBD

MAJOR GOALS AND OBJECTIVES FOR 2008

1. To provide curb, gutter, and concrete repair and maintenance.
2. To provide general asphalt / concrete maintenance through patching and replacement.
3. To enhance pavement maintenance through a crack-sealing program by completing one of eight designated areas each year.
4. To provide effective snow and ice control for public roadways.
5. To provide support, personnel, and equipment during emergency response and disaster recovery operations.

SIGNIFICANT ISSUES FOR 2008

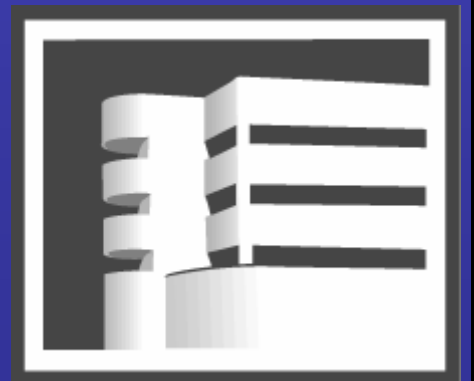
The increase in personal services for 2008 can be attributed to overtime increases, a 2% general wage adjustment, and merit increases for eligible employees. Increased costs for covering City employee health insurance coverage also contribute to the increase in personal services. Despite the rising cost of materials, a decrease in commodities is necessary due to revenue constraints projected for 2008.



City of
Lawrence

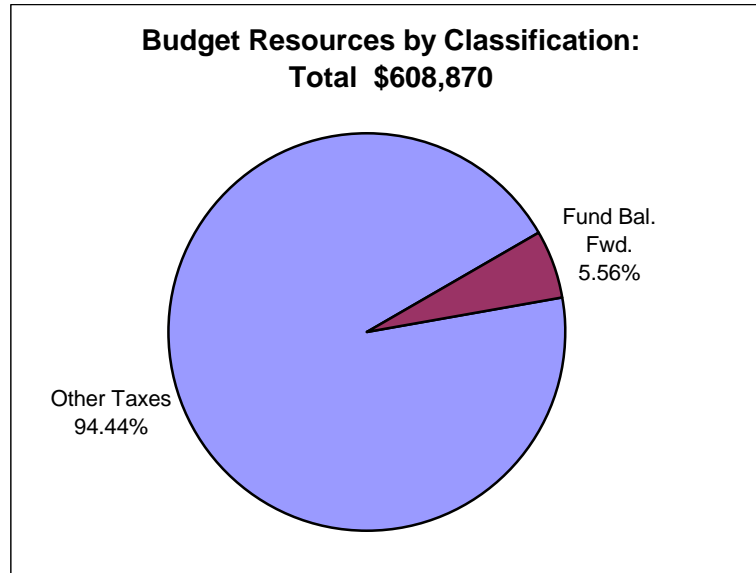


City of Lawrence, Kansas
Special Recreation Fund



SPECIAL RECREATION FUND

Fund 216 – SPECIAL RECREATION



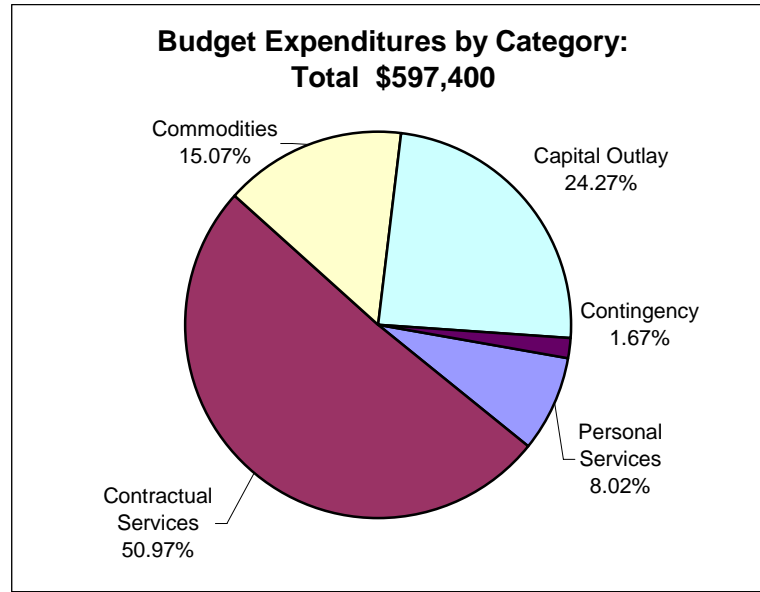
	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
RECEIPTS				
Liquor Tax	543,415	550,000	550,000	575,000
Miscellaneous	-	-	-	-
TOTAL RECEIPTS	543,415	550,000	550,000	575,000
Balance, January 1	121,894	40,894	69,670	33,870
TOTAL RESOURCES AVAILABLE	665,309	590,894	619,670	608,870

Revenue Sources - Descriptions and Trends

Revenue Sources- Under K.S.A. 79-41a04, cities receive 70% of the funds collected by the state from clubs or drinking establishments located within the city, from caterers whose principal places of business are in the city, or from temporary permit holders whose events are located in the city. These moneys are allocated evenly between the city's General Operating Fund, Special Recreation Fund, and Special Alcohol Fund. Moneys in this Special Recreation Fund must be used for "the purchase, establishment, maintenance or expansion of park and recreational services, programs and facilities." Charter Ordinance #33 establishes these criteria for the disbursement of funds in the Special Recreation Fund.

Trends- This fund continues to see annual increases in the total receipts collected by the state via the liquor tax. However, the state legislature has discussed the past few years the idea of reducing or eliminating this sharing of liquor tax revenue in light of the state's budget woes and shrinking revenue from other sources. Lobbying by the municipalities, state and local parks/recreation organizations and others have assisted in keeping the current law intact.

Fund 216 – SPECIAL RECREATION



EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
Personal Services	38,403	47,900	47,900	47,900
Contractual Services	345,383	292,400	292,400	304,500
Commodities	119,454	85,500	85,500	90,000
Capital Outlay	85,399	140,000	140,000	145,000
Debt Service	-	-	-	-
Contingency	7,000	20,000	20,000	10,000
Transfer to Other Funds	-	-	-	-
TOTAL EXPENDITURES	595,639	585,800	585,800	597,400
FUND BALANCE FORWARD	69,670	5,094	33,870	11,470

Expenditures - Descriptions and Trends

Contractual Services- Services provided to the City by firms, individuals, or other City departments. In 2008, contractual service demands for parks facilities resulted in only slight increases, though this line is still below 2006 funding levels. Also included are funds for the following outside agencies:

Lawrence Arts Center Scholarship	\$25,000
Arts Commission	\$25,500

Commodities- Operating supplies utilized by department for operations including software, licenses, additional trees, seeds, and plants for recreation facilities, and computer and printer replacements. In 2008, expenditures are expected to be slightly higher than 2007 levels.

Capital Outlay - The cost of equipment and materials used to make improvements to parks and recreation facilities including athletic fields, playgrounds, trails, etc. Funding for capital outlay fluctuates as needs change.

Fund 216 – SPECIAL RECREATION

PROFILE

The purpose of the **Special Recreation Fund** is to provide diverse cultural and recreational opportunities for the community as it continues to grow. Some of the expenses reflected in this fund include the City's share of the operation of the Lawrence Arts Center, the Outdoor Sculpture Exhibition (sponsored by the Lawrence Arts Commission), concert performances of the Lawrence City Band, and the Bicycle Pedal Plan.

The fund also provides for improvements and upgrades to parks and recreation facilities, programs, athletic fields, and playgrounds.

CURRENT YEAR ACCOMPLISHMENTS

- Continuation of Summer Concert Series by the Lawrence City Band
- Riverfront Park Development
- Various recreation facility repairs and improvements
- Various paths, walks and fence repairs

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
% of residents satisfied with the cleanliness of public areas	NA	75.8%	TBD
% of residents satisfied with the number of walking and biking trails	NA	62%	TBD

MAJOR GOALS AND OBJECTIVES FOR 2008

1. To maintain a variety of recreational facilities and programming throughout the community.
2. To support artistic exhibits and performances for the enjoyment of the community.

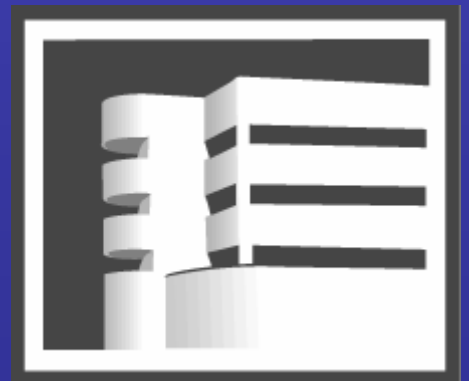
SIGNIFICANT ISSUES FOR 2008

Maintaining programs and services to continue at the levels the public expect despite fluctuation in available resources. Some of the increase in contractual services can be attributed to the increased costs for the City Band program.



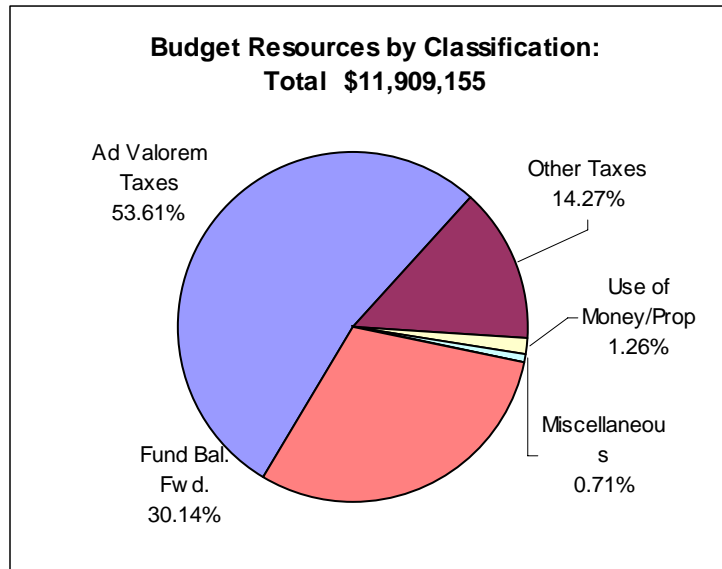


City of Lawrence, Kansas
Bond and Interest Fund



BOND AND INTEREST FUND

Fund 301 – BOND AND INTEREST



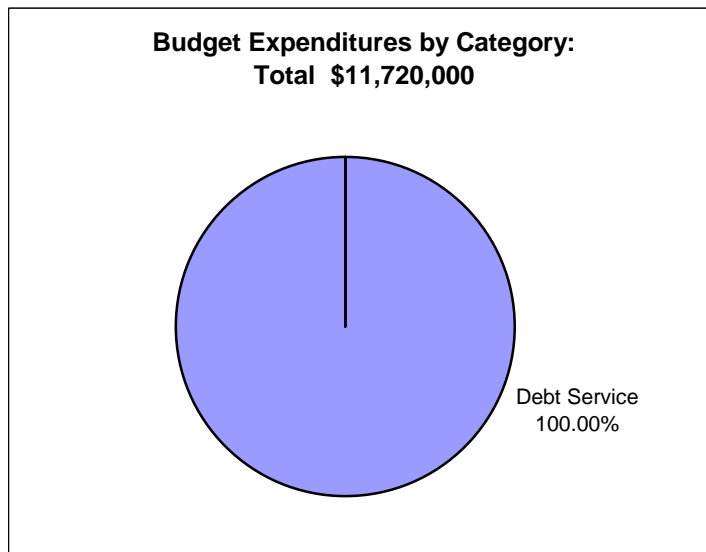
	2,006 Actual	2,007 Adopted	2,007 Estimated	2,008 Budget
RECEIPTS				
Taxes - Current	5,343,010	5,590,000	5,590,000	5,789,000
Taxes - Delinquent	91,015	70,000	70,000	70,000
Motor Vehicle Taxes	515,094	499,849	499,849	508,043
Payment In Lieu of Taxes	20,784	17,660	17,660	18,000
Special Assessments	1,497,275	1,500,000	1,500,000	1,700,000
Intergovernmental Revenues	179,744	-	-	-
Interest on Investments	497,986	150,000	150,000	150,000
Airport Charges	-	-	-	-
Miscellaneous	126,042	85,000	85,000	85,000
Other Transfers	3,212	-	-	-
	-	-	-	-
TOTAL RECEIPTS	8,274,162	7,912,509	7,912,509	8,320,043
Balance, January 1	7,770,205	4,002,108	7,285,702	3,589,112
TOTAL RESOURCES AVAILABLE	16,044,367	11,914,617	15,198,211	11,909,155

Revenue Sources - Descriptions and Trends

Revenue Sources- Property taxes are the major source of revenue for the Bond and Interest Fund, followed by special assessments, motor vehicle tax, and interest on investments. This fund is used to account for the accumulation of resources to pay general obligation bond principal and interest and bond principal and interest from special assessment levies of the City. The City is obligated to pledge its full faith and credit for the payment of general obligation bonds.

Trends- Assessed valuation growth is predicted for 2008 at 3%. The Bond and Interest mill levy remains relatively stable, taking into consideration the increase in assessed property valuation, but is expected to rise in the next few years if the City wishes to provide revenue for several City-at-large capital improvement projects and maintain an adequate fund balance.

Fund 301 – BOND AND INTEREST



EXPENDITURES	2,006 Actual	2,007 Adopted	2,007 Estimated	2,008 Budget
GO Bonds - Principal	6,639,044	8,420,000	8,420,000	8,200,000
GO Bonds - Interest	2,119,621	2,679,099	2,679,099	3,010,000
Commission / Postage	-	10,000	10,000	10,000
Cash Basis Reserve	-	500,000	500,000	500,000
Transfers	-	-	-	-
TOTAL EXPENDITURES	8,758,665	11,609,099	11,609,099	11,720,000
FUND BALANCE FORWARD	7,285,702	305,518	3,589,112	189,155

Expenditures - Descriptions and Trends

GO Bonds - Principal- The amount owed as long-term debt. It is payable from the full faith and credit of the City, and is the basis upon which interest is calculated. 2008 expenditures reflect the capital improvement projects funded from general obligation (GO) bonds approved by previous City Commissions. These projects are related to expansion, growth, and maintenance of existing facilities.

GO Bonds - Interest- The expense for issuing long term debt. It is payable from the full faith and credit of the City.

Cash Basis Reserve- An amount of funds set aside to insure that sufficient cash is available to pay principal and interest payments in the case there is a delay in receiving property taxes. The 2008 amount provides a safety net to fund unanticipated projects.

Bond and Interest Fund

Bond and Interest

Account 301-1066-556

EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
Personal Services	-	-	-	-
Commodities	-	10,000	10,000	10,000
Capital Outlay	-	-	-	-
Debt Service	8,758,665	11,099,099	11,099,099	11,210,000
Transfers	-	-	-	-
Contingency	-	500,000	500,000	500,000
TOTAL EXPENDITURES	8,758,665	11,609,099	11,609,099	11,720,000

PROFILE

This fund is used to account for the resources dedicated to the payment of the principal and interest on the City's general obligation bonds. Revenues come from ad valorem property taxes, special assessments, interest earnings and transfers of surplus funds from capital projects.

As of June 30, 2007, the total general obligation debt for the city was \$85,070,000. The City is limited by State law in the amount of general obligation debt it can incur.* This limit is set at 30% of the total assessed valuation, including motor vehicle assessments. The legal debt margin as of June 30, 2007 can be computed as follows:

Assessed Value - January 1, 2006	\$ 897,731,218	
Debt Limitation (30% of assessed value)		\$269,319,365
Total Bonded Debt (including notes)	126,275,000	
Less Revenue Bonds	<u>-24,860,000</u>	
Total Debt applicable to limitation		<u>\$ 101,415,000</u>
Legal Debt Margin		<u>\$ 167,904,365</u>

*For more information related to debt, see the Debt Management Policy and Debt Issuance Guidelines in the introduction section of this document.

CURRENT YEAR ACCOMPLISHMENTS

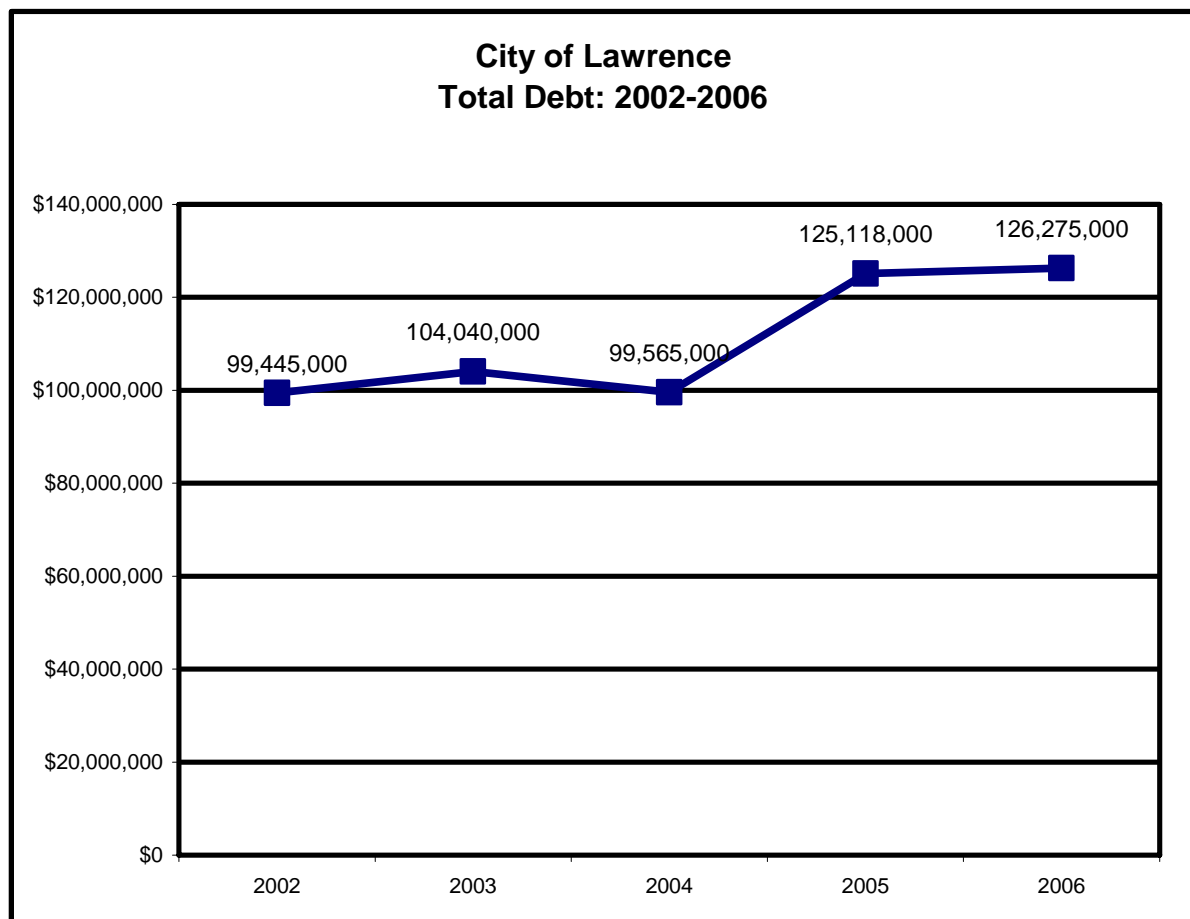
- Maintained a G.O. Debt rating of Aa2.
- Maintained a rating on the City's outstanding revenue bonds of Aa3.
- Updated the capital financing and rate plan for the Water and Wastewater Fund.
- Issued over \$15 million in general obligation bonds for infrastructure improvements.

Bond and Interest Fund

Statement Of

Outstanding Indebtedness

	Outstanding January 1, 2006	Retired in 2006	Issued in 2006	Outstanding December 31, 2006
General Obligation				
Bonds	\$ 77,080,000	9,140,000	\$ 17,130,000	85,070,000
Temporary Notes	22,128,000	22,128,000	16,345,000	16,345,000
TOTAL	99,208,000	31,268,000	33,475,000	101,415,000
Revenue Bonds	25,910,000	1,050,000	-	24,860,000
TOTAL	25,910,000	1,050,000	-	24,860,000
TOTAL DEBT	\$ 125,118,000	\$ 32,318,000	\$ 33,475,000	\$ 126,275,000



Bond and Interest Fund

Current

Debt Issue

DESIGNATION	ORIGINAL AMOUNT	OUTSTANDING JAN.1,2006	ISSUED AFTER JAN.1,2006	RETIRED IN 2006	ESTIMATED OUTSTANDING DEC.31,2006
GENERAL OBLIGATION					
Series U	540,000	65,000		65,000	0
Series W	390,000	50,000		50,000	0
Series X	2,930,000	350,000		350,000	0
Series Y	2,900,000	695,000		340,000	355,000
Series 1998-A	5,325,000	1,220,000		595,000	625,000
Series 1999-A	4,405,000	1,635,000		520,000	1,115,000
Series 1999-B	2,110,000	1,180,000		280,000	900,000
Series 2000-A	2,330,000	1,570,000		350,000	1,220,000
Series 2000-B	2,455,000	1,375,000		250,000	1,125,000
Series 2000-C	560,000	285,000		55,000	230,000
Series 2000-D	4,280,000	2,625,000		120,000	2,505,000
Series 2000-E	4,990,000	4,255,000		770,000	3,485,000
Series 2000-F	8,645,000	7,985,000		365,000	7,620,000
Series 2001-A	2,840,000	1,840,000		250,000	1,590,000
Series 2001-B	1,420,000	1,025,000		110,000	915,000
Series 2002-A	9,070,000	6,345,000		670,000	5,675,000
Series 2002-B	2,115,000	1,990,000		130,000	1,860,000
Series 2002-C	920,000	735,000		65,000	670,000
Series 2003-A	4,270,000	2,555,000		200,000	2,355,000
Series 2003-B	10,190,000	9,040,000		1,175,000	7,865,000
Series 2003-C	2,905,000	2,220,000		215,000	2,005,000
Series 2003-D	3,145,000	2,725,000		220,000	2,505,000
Series 2004-A	3,520,000	2,935,000		265,000	2,670,000
Series 2004-B	10,600,000	9,805,000		795,000	9,010,000
Series 2004-C	1,600,000	1,480,000		120,000	1,360,000
Series 2005-A	11,095,000	11,095,000		815,000	10,280,000
Series 2006-A	17,130,000	0	17,130,000	0	17,130,000
Subtotal	\$ 122,680,000	\$ 77,080,000	\$ 17,130,000	\$ 9,140,000	\$ 85,070,000
TEMPORARY NOTES					
Temp Note 2005-I	22,128,000	22,128,000		22,128,000	0
Temp Note 2006-I	16,345,000	0	16,345,000	0	16,345,000
Subtotal	\$ 38,473,000	\$ 22,128,000	\$ 16,345,000	\$ 22,128,000	\$ 16,345,000
REVENUE BONDS					
Series 2005	25,910,000	25,910,000	-	1,050,000	24,860,000
Subtotal	\$ 25,910,000	\$ 25,910,000	\$ -	\$ 1,050,000	\$ 24,860,000

Bond and Interest Fund

Current

Debt Service Schedule

GENERAL OBLIGATION BONDS AT- LARGE

	Principal	Interest	Total
2007	8,138,168	2,907,208	11,045,376
2008	7,684,939	2,579,250	10,264,189
2009	7,377,167	2,279,545	9,656,712
2010	6,897,425	1,991,241	8,888,666
2011	5,821,142	1,722,111	7,543,252
2012	6,048,261	1,498,776	7,547,037
2013	6,022,800	1,262,222	7,285,022
2014	5,318,218	1,021,856	6,340,073
2015	5,412,772	809,103	6,221,875
2016	5,188,252	589,083	5,777,335
2017	3,284,807	374,336	3,659,143
2018	2,755,000	233,893	2,988,893
2019	1,090,000	110,837	1,200,837
2020	995,000	53,175	1,048,175
	<u>72,033,949</u>	<u>17,432,636</u>	<u>89,466,585</u>

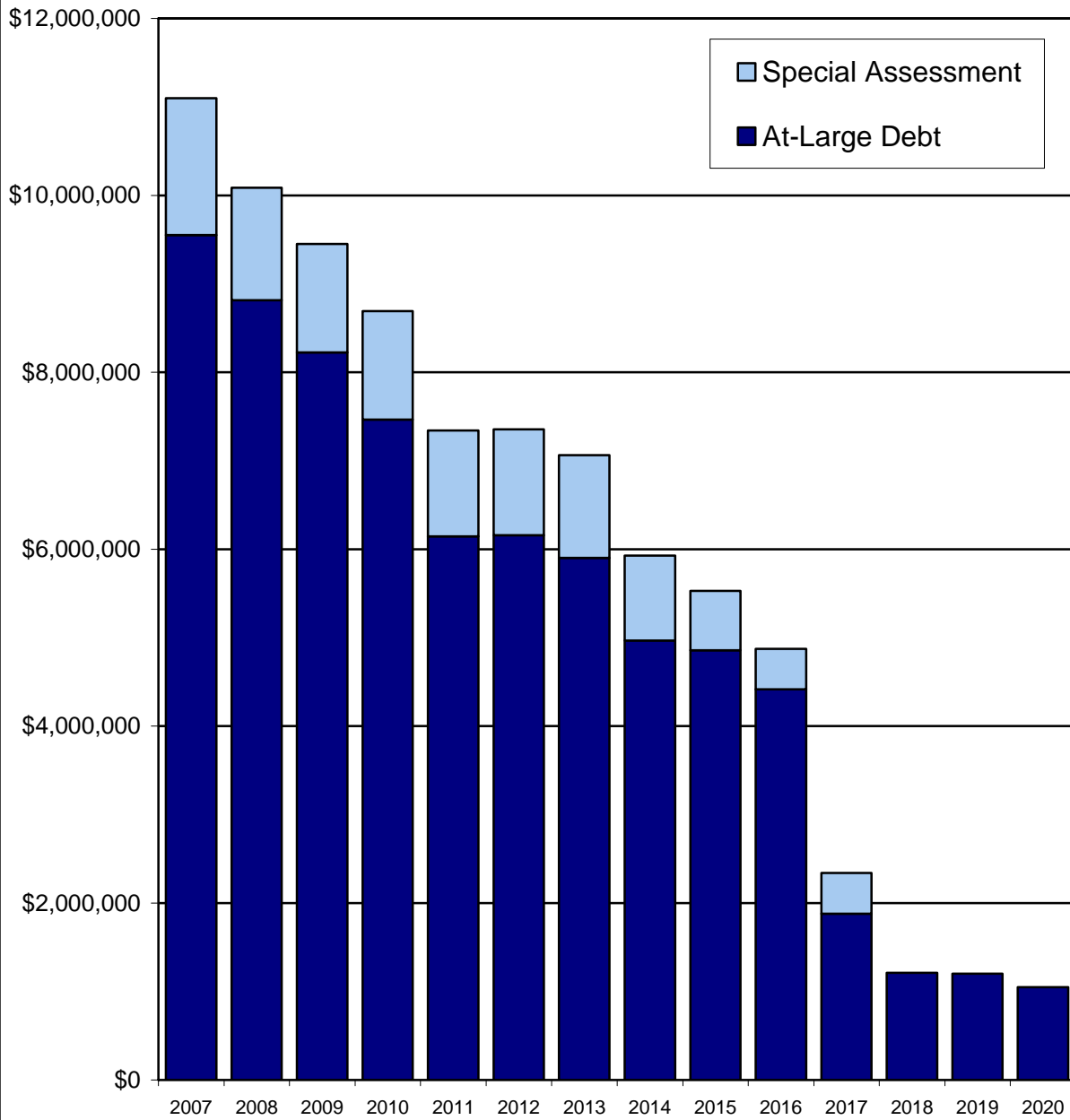
SPECIAL ASSESSMENT AMORTIZATION SCHEDULE

	Principal	Interest	Total
2007	1,501,832	471,286	1,973,118
2008	1,275,061	420,248	1,695,309
2009	1,277,833	374,445	1,652,278
2010	1,322,575	329,290	1,651,865
2011	1,338,858	282,267	1,621,126
2012	1,386,739	235,174	1,621,913
2013	1,402,200	183,796	1,585,996
2014	1,251,782	134,336	1,386,118
2015	1,007,228	89,092	1,096,320
2016	831,748	50,878	882,626
2017	440,193	17,608	457,800
	<u>13,036,051</u>	<u>2,588,418</u>	<u>15,624,469</u>

DEBT SERVICE SCHEDULE FOR ALL BONDS

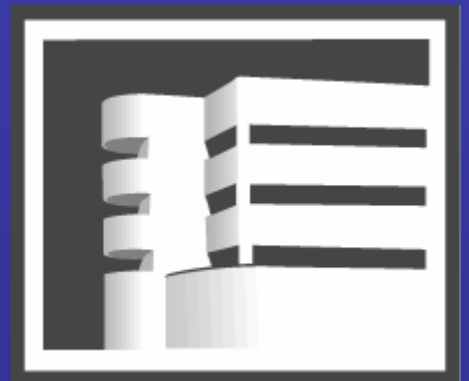
	Principal	Interest	Total
2007	9,640,000	3,378,494	13,018,494
2008	8,960,000	2,999,498	11,959,498
2009	8,655,000	2,653,991	11,308,991
2010	8,220,000	2,320,531	10,540,531
2011	7,160,000	2,004,378	9,164,378
2012	7,435,000	1,733,950	9,168,950
2013	7,425,000	1,446,018	8,871,018
2014	6,570,000	1,156,191	7,726,191
2015	6,420,000	898,195	7,318,195
2016	6,020,000	639,961	6,659,961
2017	3,725,000	391,944	4,116,944
2018	2,755,000	233,893	2,988,893
2019	1,090,000	110,837	1,200,837
2020	995,000	53,175	1,048,175
	<u>\$ 85,070,000</u>	<u>\$ 20,021,054</u>	<u>\$ 105,091,054</u>

City Of Lawrence General Obligation Debt Service



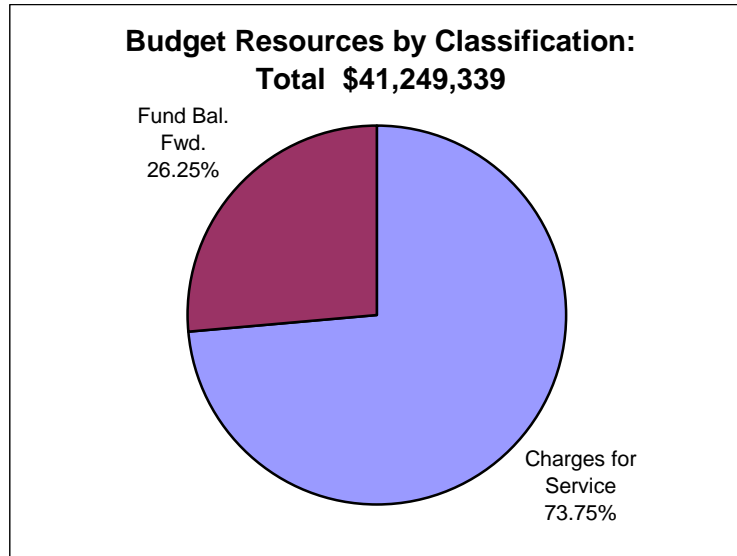


City of Lawrence, Kansas
Water and Wastewater Fund



WATER AND WASTEWATER FUND

Fund 501 – WATER AND WASTEWATER



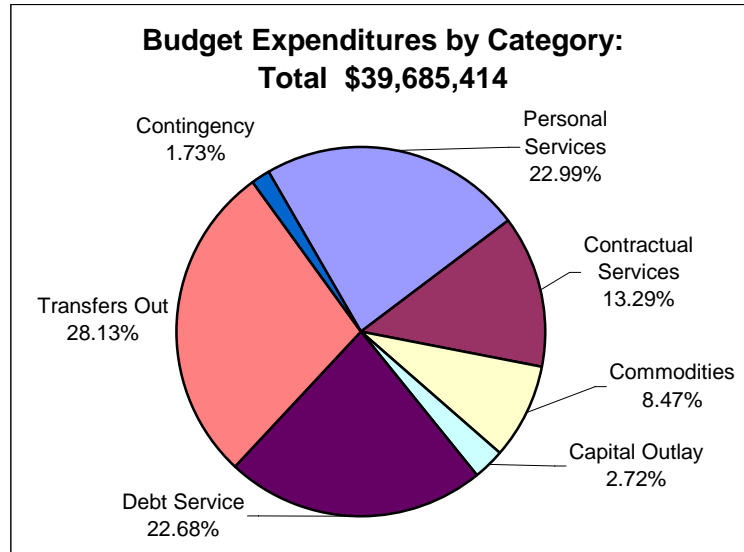
	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
RECEIPTS				
Water and Sewer Charges	26,149,470	25,000,000	25,000,000	28,000,000
Water Taps	242,005	300,000	300,000	250,000
Water Main Extensions	17,589	30,000	30,000	20,000
Interest on Investments	795,195	750,000	750,000	900,000
Development Charges	1,216,870	1,100,000	1,100,000	1,100,000
Miscellaneous & Other	158,590	150,000	150,000	150,000
TOTAL RECEIPTS	28,579,719	27,330,000	27,330,000	30,420,000
Balance, January 1	20,930,154	11,668,556	21,146,660	10,829,339
TOTAL RESOURCES AVAILABLE	49,509,873	38,998,556	48,476,660	41,249,339

Revenue Sources - Descriptions and Trends

Revenue Sources- The Water and Wastewater Fund is an Enterprise Fund for the City, and is used to account for the operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing services (water and sewer) to the general public on a continuing basis is financed or recovered primarily through user charges. The primary revenue source for this fund is the charges for water and sewer, which are determined via rate studies that are typically performed every five years. Interest on investments and development charges are two other major revenue sources for the fund. Development charges are levied at the time building permits are requested and help offset the costs for increased capacity in the water and/or wastewater systems to accommodate the growth of the system for the particular development.

Trends- Traditionally, the revenue for this fund increases in direct proportion to the amount of growth in the city as well as through the incremental rate increases dictated by the City Commission's approval of recommendations from the rate study. System growth, meeting regulatory requirements, and replacing aging infrastructure are the three main reasons for increasing revenue for this fund. Projections are conservative and based on the revenue requirements outlined in the 2004 rate study. Rates for water and wastewater will increase in 2008.

Fund 501 – WATER AND WASTEWATER



EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
Personal Services	6,940,801	8,036,565	8,036,565	9,122,586
Contractual Services	4,480,102	4,600,900	4,600,900	5,272,768
Commodities	2,489,825	3,220,306	3,220,306	3,360,805
Capital Outlay	570,971	957,000	957,000	1,079,500
Debt Service	6,491,158	9,100,000	9,100,000	9,000,000
Transfers	7,367,662	10,839,050	10,839,050	11,164,150
Contingency	22,694	893,500	893,500	685,605
TOTAL EXPENDITURES	28,363,213	37,647,321	37,647,321	39,685,414
FUND BALANCE FORWARD	21,146,660	1,351,235	10,829,339	1,563,925

Expenditures - Descriptions and Trends

Personal Services - Cost of providing wages, salaries, retirement, and other fringe benefits for City employees and to some degree, part-time, seasonal staff. Increases continue due to a 2% general wage adjustment, projected merit increases for eligible employees and increases in the City's share of the per employee health care costs.

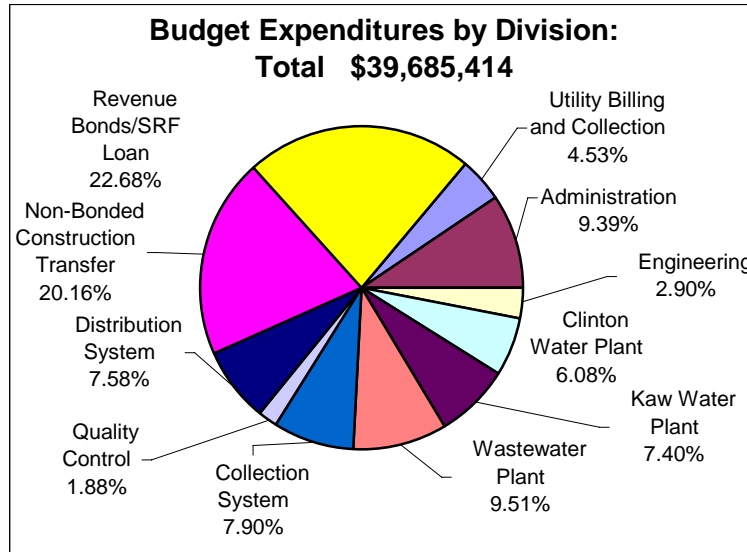
Contractual Services - The cost of services provided to the City by firms, individuals, or other City departments have increased steadily over the years and continue to do in 2008.

Commodities - Fuel costs as well as the cost of software, safety equipment, and other supplies continue to rise in 2008.

Capital Outlay - Equipment valued at more than \$1,000 and having a useful life of more than one year. The budget for capital outlay has fluctuated over the years as equipment needs change.

Transfers - Budgeted transfers in 2008 include transfers from the divisions to the General Fund totaling \$3,164,150 for general overhead expenses and \$8,000,000 to the Capital Improvement Fund to fund construction of water and wastewater projects for which no debt will be issued.

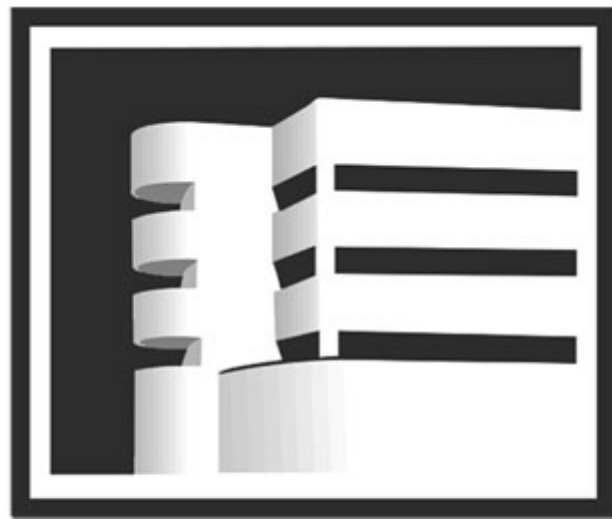
Fund 501 – WATER AND WASTEWATER



EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
Utility Billing and Collection	1,623,333	1,763,780	1,763,780	1,796,130
Administration	1,767,204	3,031,336	3,031,336	3,726,728
Engineering	734,723	1,013,311	1,013,311	1,152,334
Clinton Water Plant	1,622,725	2,061,847	2,061,847	2,413,709
Kaw Water Plant	2,114,106	2,654,553	2,654,553	2,935,479
Wastewater Plant	2,899,555	3,588,099	3,588,099	3,772,784
Collection System	2,262,633	2,748,940	2,748,940	3,133,294
Quality Control	581,365	651,836	651,836	747,224
Distribution System	2,276,411	3,033,619	3,033,619	3,007,732
Non-Bonded Construction Transfer	6,000,000	8,000,000	8,000,000	8,000,000
Debt Service				
Temp Note Interest	-	-	-	-
Revenue Bonds/SRF Loan	6,481,158	9,100,000	9,100,000	9,000,000
TOTAL EXPENDITURES	28,363,213	37,647,321	37,647,321	39,685,414
FUND BALANCE FORWARD	21,146,660	1,351,235	10,829,339	1,563,925

Expenditures - Descriptions and Trends

For information on expenditures by division, see pages K-6 through K-24



City of
Lawrence

Water and Wastewater Fund

Utility Billing

Account 501-1069-559

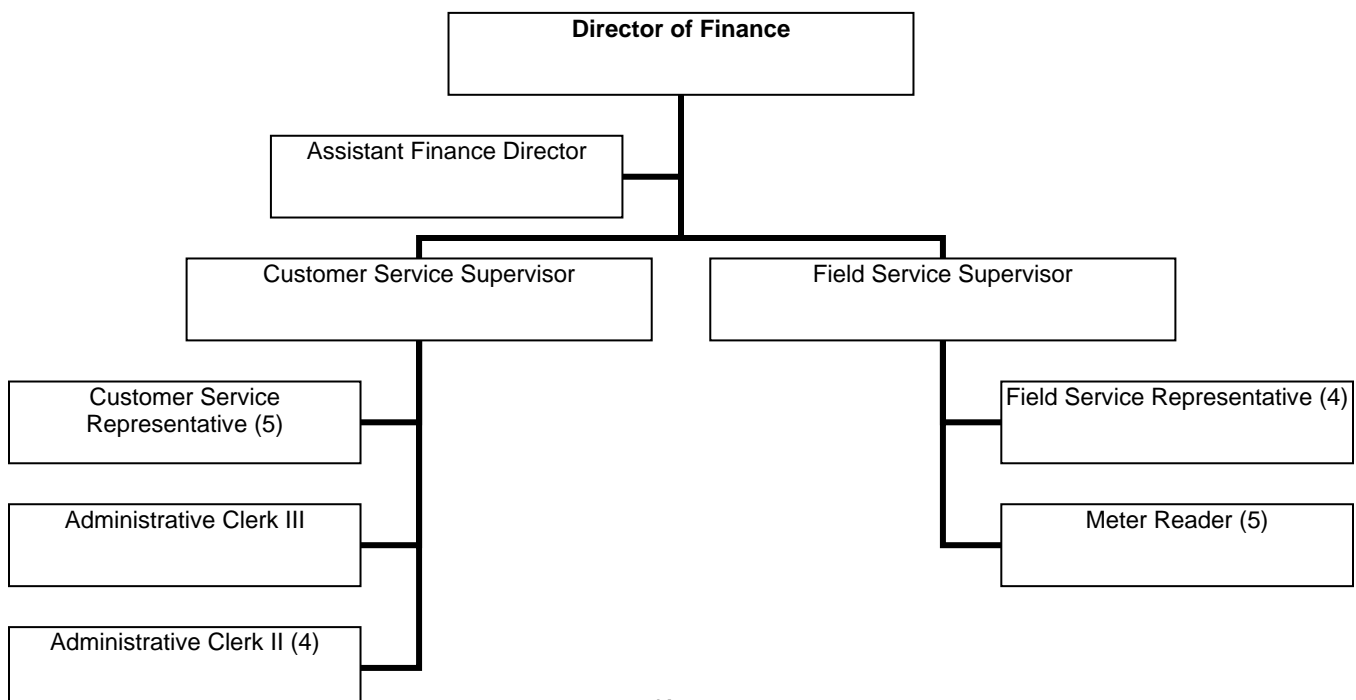
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 1,036,711	\$ 1,149,030	\$ 1,149,030	\$ 1,226,762
Contractual Services	378,074	327,650	327,650	335,018
Commodities	78,971	95,350	95,350	96,350
Capital Outlay	35,221	99,000	99,000	24,000
Debt Service	-	-	-	-
Transfers	71,662	75,250	75,250	79,000
Other	22,694	17,500	17,500	35,000
Total	\$ 1,623,333	\$ 1,763,780	\$ 1,763,780	\$ 1,796,130

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	21.00	22.26	22.26	22.26

ORGANIZATIONAL CHART



PROFILE

The Utility Billing Division of the Finance Department is responsible for the billing and collecting of water, wastewater, sanitation, and storm sewer charges. Each week, utility bills are prepared for approximately one-fourth of our 31,000 customers.

Customers can initiate, transfer, terminate, and pay for services on a 24/7 basis through our website. In addition, we will be initiating our interactive voice response system to provide customers the ability to query their account over the telephone.

CURRENT YEAR ACCOMPLISHMENTS

- Prepared a rate plan to provide adequate cash flow to fund the proposed capital improvement plan
- Changed credit card service providers to allow one time bank transfers and credit card payments over the internet
- Implemented an interactive voice response system to improve customer responsiveness
- Purchased a new hardware and software system to improve the reading of our radio transmit water meters
- Hired a new Assistant Finance Director with primary responsibility over utility billing operations



PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
Percent of residents satisfied with the accuracy of their water bill	NA	69.8%	TBD
Percent of utility bills sent as scheduled	96	97	99
Percent of telephone calls abandoned	10	9	8
Percent of water meters needing reread	4	3	2
Percent of water meters read as scheduled	87	90	100

MAJOR GOALS AND OBJECTIVES FOR 2008

1. Maintain the City's revenue bond debt rating.
2. Improve the collection of past due utility accounts.
3. Implement new utility rates to fund capital improvement plan and operations.

SIGNIFICANT ISSUES FOR 2008

The increase in personal services is due to a 2% general wage adjustment and merit increases for eligible employees. A reduction in capital outlay can be attributed to a purchase of a one-time IVR system in 2007.

Water and Wastewater Fund

Administration

Account 501-7100-580

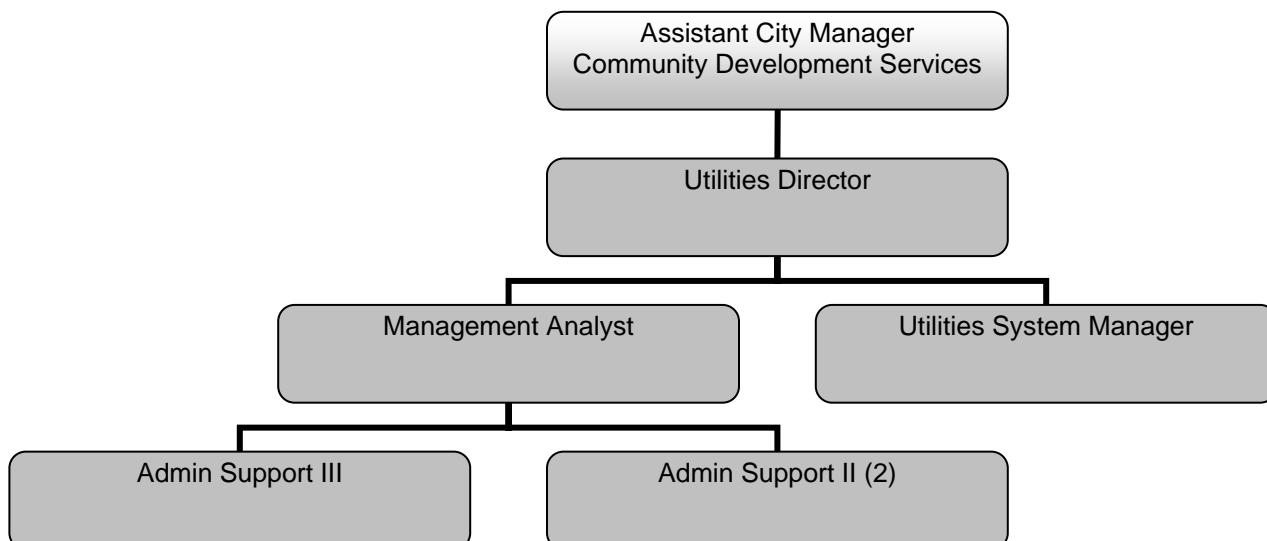
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 381,022	\$ 557,636	\$ 557,636	\$ 861,053
Contractual Services	418,466	222,700	222,700	311,800
Commodities	68,055	93,500	93,500	92,500
Capital Outlay	99,661	230,000	230,000	255,000
Debt Service	-	-	-	-
Transfers	800,000	1,927,500	1,927,500	2,206,375
Contingency	-	-	-	-
Total	\$ 1,767,204	\$ 3,031,336	\$ 3,031,336	\$ 3,726,728

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	9.50	7.50	9.50	11.00

ORGANIZATIONAL CHART



PROFILE

The **Administrative Division** provides direction, analysis, management and support services for all operational divisions in the areas of human resources, budgeting, policy development, risk management, regulatory compliance, project management and clerical support in addition to developing programs to inform the public about utilities' operations.

CURRENT YEAR ACCOMPLISHMENTS

- Received Outstanding Achievement in Local Government Award for Wastewater Management System.
- Completion of Environmental Impact and Occupational Health and Safety Hazard Analysis.
- Distribution of materials to contractors and others regarding on-site responsibilities and hazard communications.
- Relocation of Department offices from Kaw Water Treatment Plant to Wastewater Treatment Plant.
- Co-sponsorship of 2007 Annual Safety/Employee Appreciation Event with Department Safety Committee.

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
% of residents satisfied with the value received for their water and wastewater utility rates	NA	55.2%	TBD
% residents satisfied with how well the City keeps them informed about disruptions to water service	NA	64.5%	TBD
Lost time accidents	0	0	0

MAJOR GOALS AND OBJECTIVES FOR 2008

1. Long-term planning, facilitation and implementation of capital improvement projects such as the Wakarusa Wastewater Reclamation Facility and Clinton Water Treatment Expansion.
2. Implementation of the Lawrence Utilities Management System across all operational divisions for consistent principles of conduct in delivering excellent water and wastewater services that minimize environmental impact, reduce safety hazards, increase operational efficiencies and continuously improve system processes.
3. Adopt and conform to Occupational Health and Safety Assessment Series 14001 safety standards across all operational divisions.
4. Ongoing facilitation of Department reorganization and integration in furtherance of a system-wide operational, technical and maintenance approach to delivering water and wastewater services.
5. Develop and expand public education and outreach programs.

SIGNIFICANT ISSUES FOR 2008

Increases in personal services can be attributed to moving expenses related to several positions from the General Operating Fund, increased health care costs, a 2% general wage adjustment, and merit increases for eligible employees. Contractual services increases are due to increased costs for insurance and other professional services. The increase in transfers is due to practice of increasing the transfer to the General Operating Fund for overhead expenses by 5% annually as well as providing funds for economic development.

Water and Wastewater Fund

Engineering

Account 501-7110-580

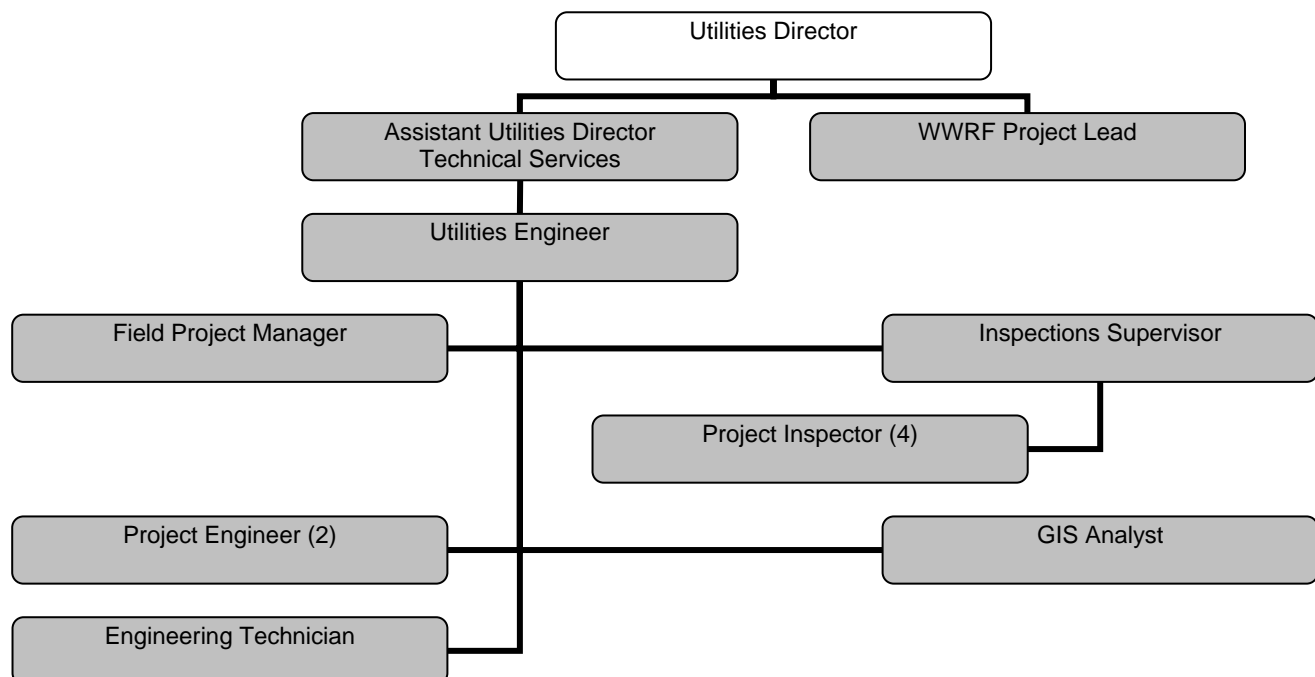
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 487,736	\$ 757,193	\$ 757,193	\$ 977,509
Contractual Services	138,373	73,050	73,050	71,550
Commodities	55,286	112,568	112,568	92,250
Capital Outlay	43,328	60,000	60,000	-
Debt Service	10,000	-	-	-
Transfers	-	10,500	10,500	11,025
Contingency	-	-	-	-
Total	\$ 734,723	\$ 1,013,311	\$ 1,013,311	\$ 1,152,334

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	11.00	11.00	12.00	12.00

ORGANIZATIONAL CHART



PROFILE

The **Engineering Division** is responsible for the project management of all Department capital improvements in addition to design, contract administration and inspection services and maintenance of the Department's water and sewer GIS data and mapping. The Division also reviews developer-designed utility extensions and inspects the construction of these extensions.

CURRENT YEAR ACCOMPLISHMENTS

- Incorporated user comments in the continued implementation of Water and Wastewater SDE database for GIS.
- Implemented the use of handheld GPS devices for the Project Inspectors.
- Managed projects not identified in the Water and Wastewater Master Plans, including utility relocations due to road projects as well as utility improvements responsive to development and various studies (e.g., 14th & Tennessee Sanitary Sewer replacement.)
- Ongoing management of the design and construction of multiple projects from the 2004 Water and Wastewater Master Plan including the 2007 Downtown Waterline Replacement.
- Launched Water and Wastewater Master Plan Projects including the West Baldwin Creek Sanitary Sewer and Clinton WTP Expansion construction.

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
Master Plan Projects – on time	N/A	95%	100%
Planning Reviews – on time	N/A	100%	100%
Public Improvement Plan Reviews – on time	N/A	100%	100%

MAJOR GOALS AND OBJECTIVES FOR 2008

1. Support ongoing implementation of GIS technology, including completion of Water Distribution digital Map Book, staff training and updated infrastructure inventory and location information.
2. Manage all Water and Wastewater Master Plan projects scheduled for 2008 and continue to manage ongoing 2004-2007 projects.
3. Implement computerized hydraulic modeling capabilities across Department systems.
4. Collaborate with e-Gov coordinator to maintain and improve Department webpage.
5. Continue to provide a high level of service through Department-related technical support to internal and external clients.
6. Enhance the review process for Planning submittals and public improvement plans with regard to staff efficiency and response time through increased use of electronic resources, better defined criteria and staff training.

SIGNIFICANT ISSUES FOR 2008

Increases in personal services can be attributed to a 2% general wage adjustment, merit increases for eligible employees, health care cost increases, and the addition of a Project Engineer position. Capital outlay fluctuates according to need and available resources.

Water and Wastewater Fund

**Clinton
Water Treatment Plant
Account 501-7210-581**

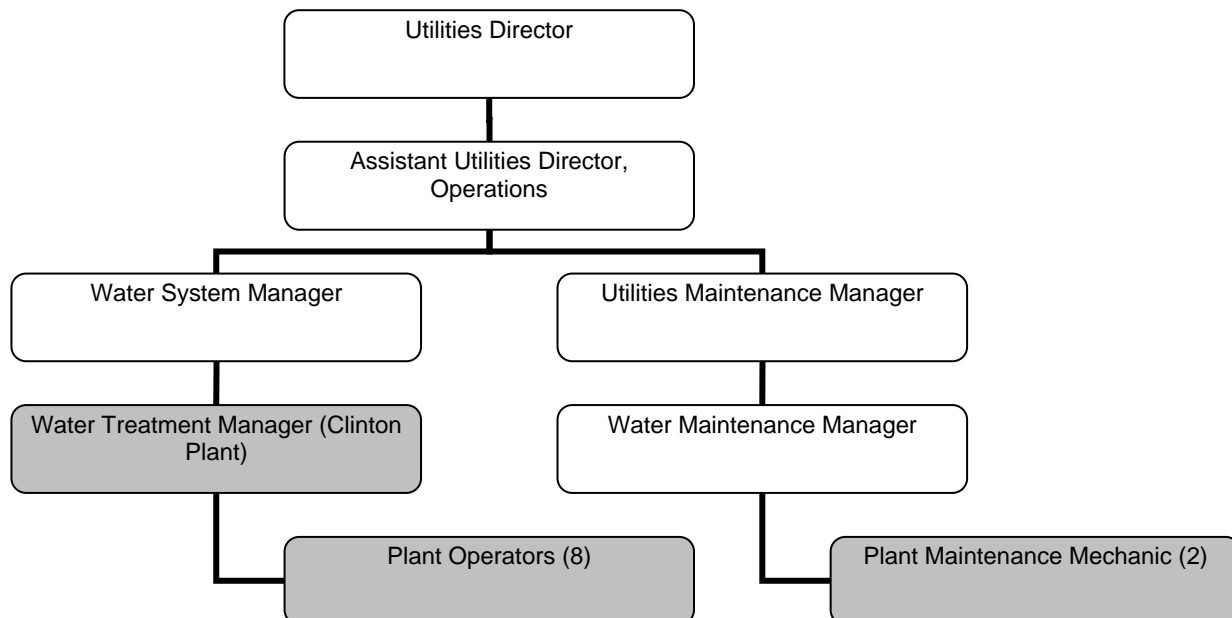
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 651,678	\$ 734,689	\$ 734,689	\$ 772,709
Contractual Services	401,157	445,500	445,500	608,200
Commodities	552,890	684,658	684,658	814,800
Capital Outlay	-	25,000	25,000	50,000
Debt Service	-	-	-	-
Transfers	17,000	17,000	17,000	18,000
Contingency	-	155,000	155,000	150,000
Total	\$ 1,622,725	\$ 2,061,847	\$ 2,061,847	\$ 2,413,709

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	11.00	11.00	11.00	11.00

ORGANIZATIONAL CHART



PROFILE

The mission of the Clinton Water Treatment Division is to produce an adequate supply of potable water for public consumption and fire suppression in compliance with all regulatory requirements through operation and maintenance of a 15 million gallons per day capacity water treatment facility (with a soon-to-be expanded capacity of 25 MGD).

CURRENT YEAR ACCOMPLISHMENTS

- Treated and pumped a combined total of 1.02 billion gallons of water through the first quarter of 2007.
- Completed the bidding and award process for the Phase II Plant expansion project.
- Commencement of site improvements in preparation for expansion project construction.



PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
% of residents satisfied with the smell of their drinking water	NA	66.5%	TBD
% of residents satisfied with the taste of their drinking water	NA	65.5%	TBD
% water pumped that is billed	N/A	81%	85%
Lost time accidents	0	0	0
% tests in compliance with regulations	100	100	100
% of residents satisfied with the water pressure in their home	NA	81.7%	TBD

MAJOR GOALS AND OBJECTIVES FOR 2008

1. Address taste and odor concerns noted in 2007 Citizen Survey.
2. Improve water quality, system profit, performance and equipment reliability, operational efficiency and safety through automation of process systems and implementation of Lawrence Utilities Management System.
3. Expand the Clinton Plant capacity to 25 million gallons per day capacity.
4. Replace chlorine gas storage and system with sodium hypochlorite disinfection system.
5. Enroll in EPA Performance Tracking.

SIGNIFICANT ISSUES FOR 2008

Increases in personal services can be attributed to a 2% general wage adjustment, merit increases for eligible employees, and rising health care costs. Contractual service increases include equipment repairs, utilities, and lime lagoon cleaning. Commodities increases are due to the purchase of computers and other equipment related to plant expansion.

Water and Wastewater Fund

**Kaw
Water Treatment Plant
Account 501-7220-582**

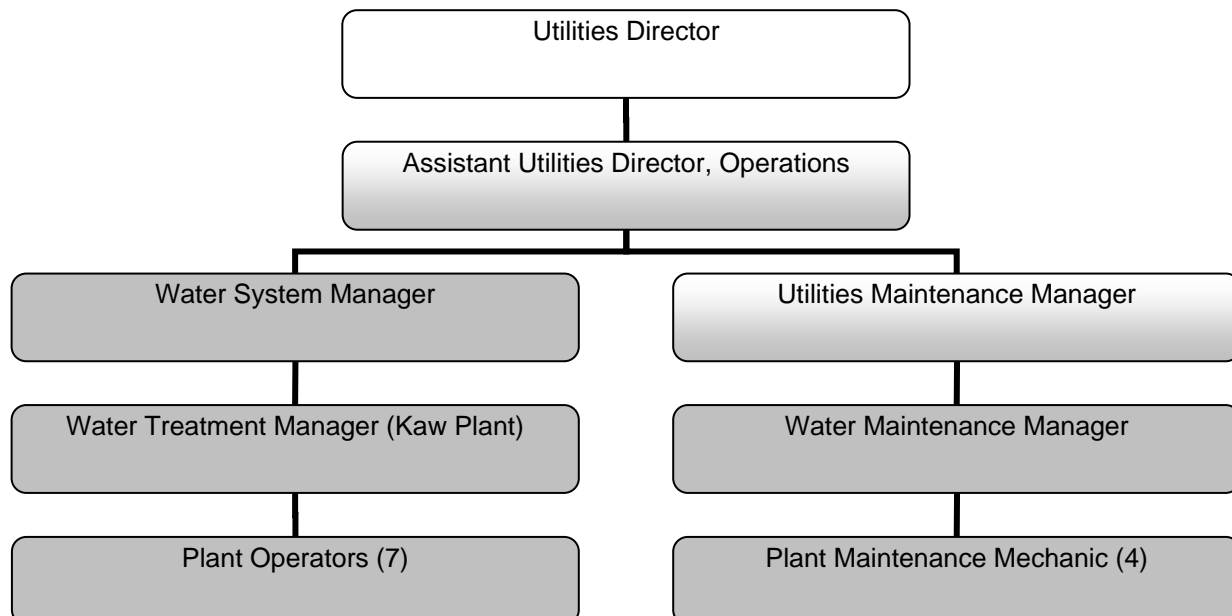
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 888,872	\$ 1,030,029	\$ 1,030,029	\$ 1,173,029
Contractual Services	722,090	855,000	855,000	957,700
Commodities	440,064	518,524	518,524	533,200
Capital Outlay	43,080	76,000	76,000	99,500
Debt Service	-	-	-	-
Transfers	20,000	21,000	21,000	22,050
Contingency	-	154,000	154,000	150,000
Total	\$ 2,114,106	\$ 2,654,553	\$ 2,654,553	\$ 2,935,479

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	14.00	15.00	15.50	15.50

ORGANIZATIONAL CHART



PROFILE

The mission of the **Kaw Water Treatment** Division is to produce an adequate supply of potable water for public consumption and fire suppression in compliance with all regulatory requirements through operation and maintenance of a 16.5 million gallons per day capacity water treatment facility.

CURRENT YEAR ACCOMPLISHMENTS

- Treated and pumped a combined total of 1.02 billion gallons of water from Jan. 1st to April 30th, 2007.
- Starting the bidding process for the repair of brick exterior walls of existing buildings at Kaw Plant.
- Completed the bidding process for replacement of existing elevator in main building at Kaw Plant, with project to start July 2007.
- Placed new security cameras at Stratford, 6th & Kasold and 19th & Kasold Water Towers.

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
% of residents satisfied with the smell of their drinking water	NA	66.5%	TBD
% of residents satisfied with the taste of their drinking water	NA	65.5%	TBD
% water pumped that is billed	N/A	81%	85%
Lost time accidents	0	0	0
% tests in compliance with regulations	100	100	100
% of residents satisfied with the water pressure in their home	NA	81.7%	TBD

MAJOR GOALS AND OBJECTIVES FOR 2008

1. Address taste and odor concerns noted in 2007 Citizen Survey.
2. Improve water quality, system profit, performance and equipment reliability, operational efficiency and safety through automation of process systems and implementation of Lawrence Utilities Management System.
3. Complete the Kaw Plant Low Service #2 Flow Improvements Project by replacing all five intake pumps intake pumps with new pumps.
4. Replace chlorine gas storage and system with sodium hypochlorite disinfection system.
5. Enroll in EPA Performance Tracking.

SIGNIFICANT ISSUES FOR 2008

Increases in personal services can be attributed to a 2% general wage adjustment, merit increases for eligible employees, and the addition of a water system manager and .5 of a maintenance manager position in 2008. Contractual services increases include equipment repair, building repairs, and utilities.



Water and Wastewater Fund

**Wastewater
Treatment Plant**

Account 501-7310-583

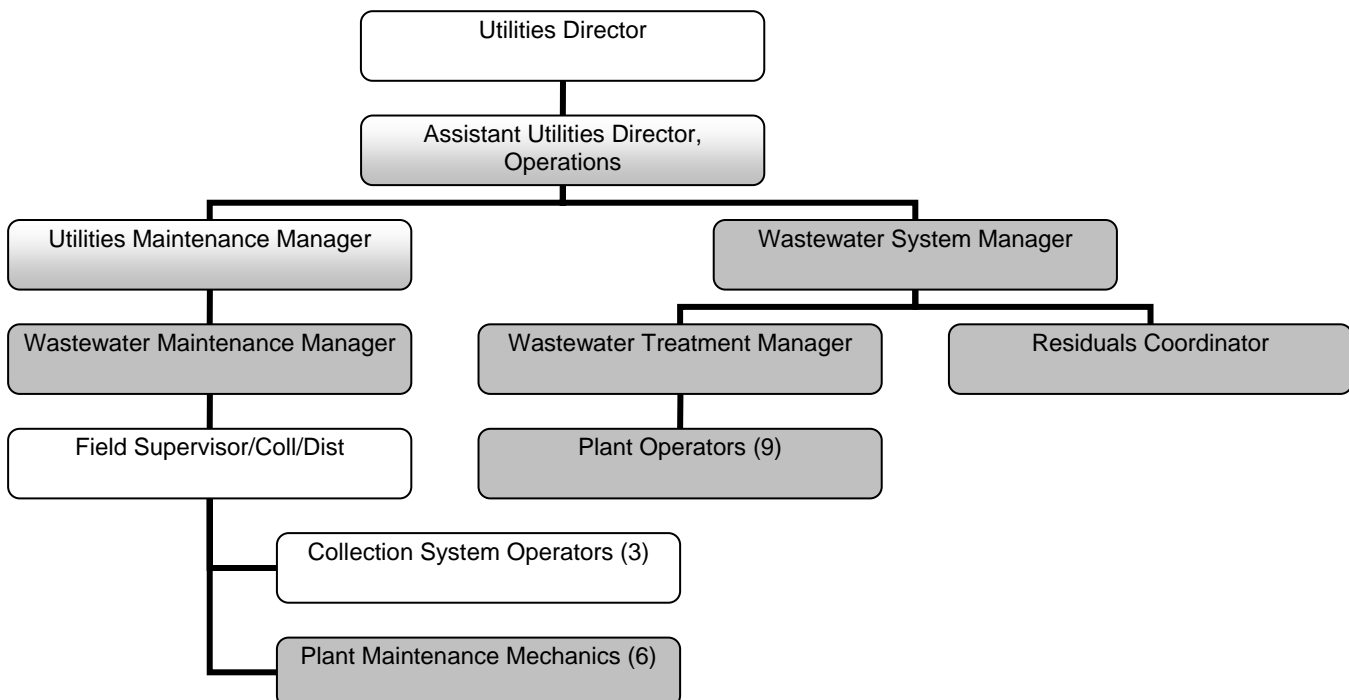
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 1,077,095	\$ 1,238,943	\$ 1,238,943	\$ 1,353,084
Contractual Services	1,283,624	1,291,000	1,291,000	1,410,000
Commodities	437,928	681,906	681,906	646,700
Capital Outlay	75,908	110,000	110,000	85,000
Debt Service	-	-	-	-
Transfers	25,000	26,250	26,250	28,000
Contingency	-	240,000	240,000	250,000
Total	\$ 2,899,555	\$ 3,588,099	\$ 3,588,099	\$ 3,772,784

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	17.00	20.00	20.00	20.50

ORGANIZATIONAL CHART



PROFILE

The mission of the **Wastewater Treatment Division** is to treat wastewater and return treated water and biosolids to the environment by utilizing environmentally safe standards through operation and maintenance of the Wastewater Treatment facility located on East 8th Street.

CURRENT YEAR ACCOMPLISHMENTS

- Updated Process and Maintenance database is completed, installed and operational.
- Acquired all property for Wakarusa Water Reclamation Facility.
- The Lawrence Wastewater Management System certified for ISO14001 (environmental) and OHSAS18001 (health and safety).
- Completion of major lift station additions and expansions, including lift stations 16, 1, 2, 3, and 48.



PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
% of residents satisfied with City efforts to minimize the odor from the Wastewater facility	NA	62.3%	TBD
NPDES Violations	0	0	0
Lost time accidents	1	0	0
Complaints received	13	5	5
% biosolids beneficially reused	100	100	100

MAJOR GOALS AND OBJECTIVES FOR 2008

1. Continued 100% compliance with regulations.
2. Increased utilization of methane as energy source over 2006 usage levels.
3. Enroll into EPA Performance Tracks
4. Beneficially reuse 100% of biosolids produced from the wastewater treatment process.

SIGNIFICANT ISSUES FOR 2008

Increases in personal services can be attributed to a 2% general wage adjustment, merit increases for eligible employees, and the addition of a wastewater system manager and .5 of a maintenance manager position in 2008. Contractual services increases include equipment repair and building repairs.

WASTEWATER TREATMENT PLANT

Water and Wastewater Fund

Sanitary Sewer Collection

Account 501-7410-583

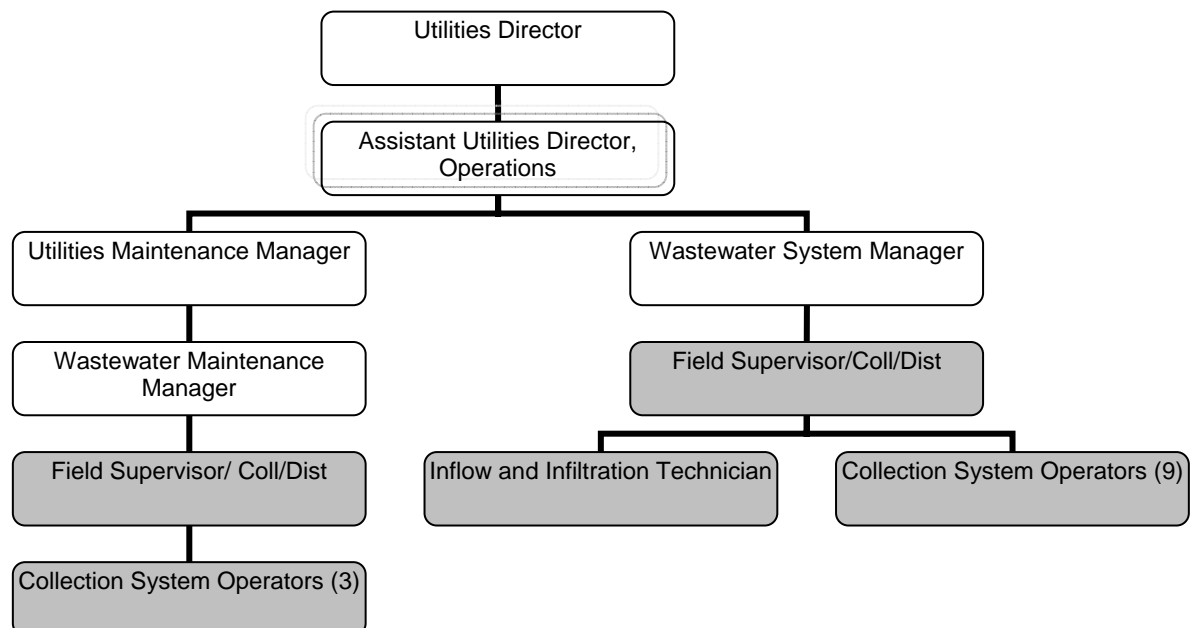
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 880,725	\$ 867,840	\$ 867,840	\$ 986,989
Contractual Services	911,943	941,000	941,000	1,201,000
Commodities	162,155	218,100	218,100	242,805
Capital Outlay	149,810	245,000	245,000	340,000
Debt Service	-	-	-	-
Transfers	158,000	250,000	250,000	262,500
Contingency	-	227,000	227,000	100,000
Total	\$ 2,262,633	\$ 2,748,940	\$ 2,748,940	\$ 3,133,294

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	16.00	14.00	15.00	15.00

ORGANIZATIONAL CHART



PROFILE

The mission of the **Sanitary Sewer Collection Division** is to convey wastewater from customers to the Wastewater Treatment Plant, prevent sanitary sewer overflows and maintain the wastewater collection system by preventing significant health, safety and environmental impacts.

Division responsibilities include approximately 392 miles of sanitary sewer lines, 18 miles of sanitary sewer force main, 9800 manholes, 1500 clean outs and 35 lift stations.



CURRENT YEAR ACCOMPLISHMENTS

- A 28% reduction in number of city sewer main blockages.
- Closed Circuit Television Inspection (CCTV) of 26.7 miles of sanitary sewer pipe.
- Cleaning of 26% of the gravity system through the 4-Year Section Cleaning Program.
- Installment of SCADA instrumentation in all lift stations.
- Installed 31 Permanent Flow Meters citywide for use in gathering accurate wastewater flow data 24/7.
- Meeting or exceeding performance measures and targets.

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
% of residents satisfied with the City's efforts to prevent backups of wastewater into their home	NA	63%	TBD
City Main Blockages	56	50	45
% Planned maintenance completed	100	100	100
% Planned TV Inspection Completed	100	100	100
Lost time accidents	0	0	0

MAJOR GOALS AND OBJECTIVES FOR 2008

1. Continue to lower service calls through proactive maintenance programs, including cured in place pipe program, chemical root control program, section cleaning, scheduled preventive maintenance, grease program and TV inspections.
2. Develop a Collection System Rehabilitation Plan to replace aging collection system infrastructure.
3. Develop a dynamic hydraulic modeling program.
4. Continue the pump rehabilitation program.
5. No sanitary sewer overflows due to lift station operations.

SIGNIFICANT ISSUES FOR 2008

Increases in personal services can be attributed to a 2% general wage adjustment, merit increases for eligible employees, and the increased cost of the City's share of employee health care. Contractual services increases include equipment repair, building repair, I&I monitoring, and lift station monitoring and maintenance. The capital outlay increase is for the purchase of a new Jet Truck using for sewer cleaning.

Water and Wastewater Fund

Quality Control

Account 501-7510-585

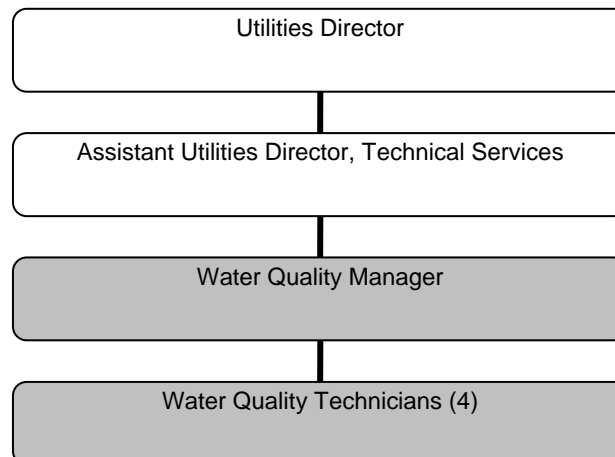
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 298,001	\$ 328,286	\$ 328,286	\$ 349,024
Contractual Services	95,693	147,000	147,000	161,500
Commodities	156,937	153,000	153,000	156,500
Capital Outlay	19,734	12,000	12,000	68,000
Debt Service	-	-	-	-
Transfers	11,000	11,550	11,550	12,200
Contingency	-	-	-	-
Total	\$ 581,365	\$ 651,836	\$ 651,836	\$ 747,224

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	4.00	5.00	5.00	5.00

ORGANIZATIONAL CHART



PROFILE

The mission of the **Quality Control Division** is to assure compliance with the Clean Water Act and the Safe Drinking Water Act. The Division operates the Department's three certified laboratories. The Division is responsible for monitoring, reporting and knowledge of drinking water and wastewater parameters required for compliance for both state and federal regulations.

CURRENT YEAR ACCOMPLISHMENTS

- Annual Compliance Summary for Pretreatment Programs completed March 30, 2007.
- Water and Wastewater Compliance Reports submitted per deadline to date.
- Preparation of Consumer Confidence Report for 2007 completed April 19, 2007.
- NELAP certification and accreditation maintained for Year 2007/2008.



PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
% of residents satisfied with the clarity of their drinking water	NA	71.3%	TBD
Lab Analyses In-house	31,690	32,500	33,000
Lab Analyses Outsourced	3,039	4,144	4,328
Compliance Rate	100%	100%	100%

MAJOR GOALS AND OBJECTIVES FOR 2008

1. Provide monitoring and other services to water and wastewater facilities in support of full operational compliance with the Safe Drinking Water Act and the Clean Water Act.
2. Improve operation and efficiency of division.
3. Track customer calls, locations and trend problems.
4. Identify potential water quality issues in the distribution system.
5. Implement Grease Control Program.

SIGNIFICANT ISSUES FOR 2008

Increases in personal services can be attributed to a 2% general wage adjustment, merit increases for eligible employees, and the increased cost of the City's share of employee health care. The capital outlay increase is for the purchase of a new vehicle for the Grease program and other equipment for testing.

Water and Wastewater Fund

Water Distribution System

Account 501-7610-586

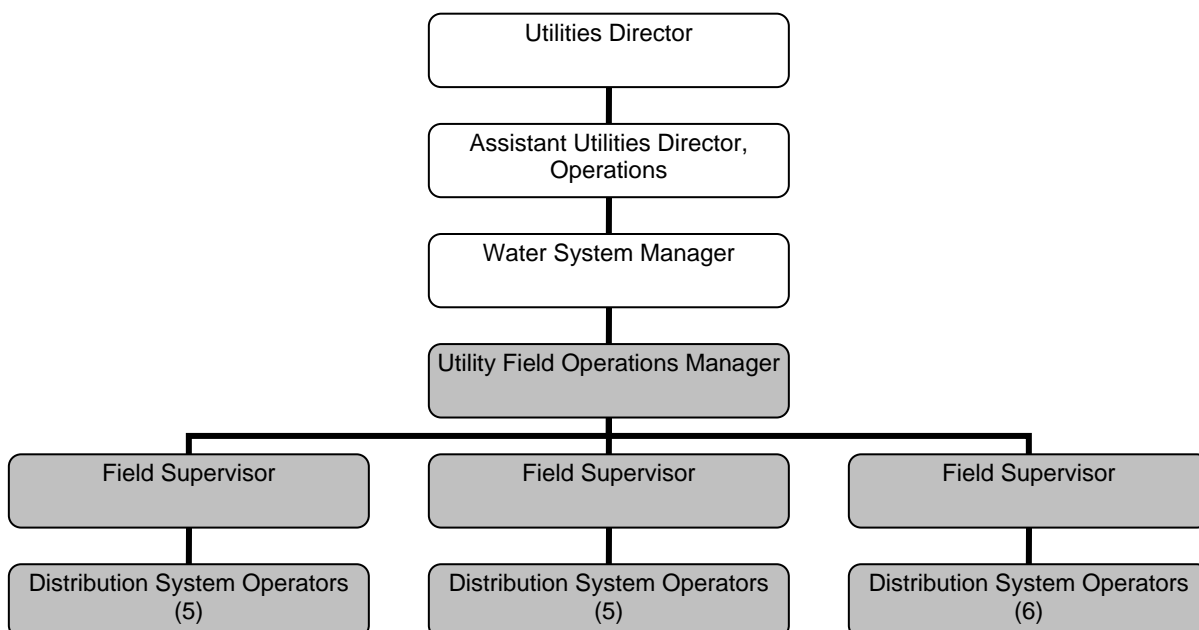
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 1,238,961	\$ 1,372,919	\$ 1,372,919	\$ 1,422,427
Contractual Services	130,682	298,000	298,000	216,000
Commodities	537,539	662,700	662,700	685,700
Capital Outlay	104,229	100,000	100,000	158,000
Debt Service	-	-	-	-
Transfers	265,000	500,000	500,000	525,000
Contingency	-	100,000	100,000	605
Total	\$ 2,276,411	\$ 3,033,619	\$ 3,033,619	\$ 3,007,732

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	20.00	22.00	22.00	22.00

ORGANIZATIONAL CHART



PROFILE

The mission of the **Water Distribution Division** is to provide for the installation, maintenance and repair of the water distribution system. The distribution system is the network of pipes conveying clean, safe, potable water for consumption to residences, businesses, industries and rural water districts. The system also provides water for fire protection throughout the City.



CURRENT YEAR ACCOMPLISHMENTS

- Installed 147 water services to new customers and repaired 26 main leaks.
- Replaced 900 feet of water mains.
- Completed bidding and started construction of Phase 3 of the Downtown waterline project.
- Performed inspection, maintenance and repairs on 531 fire hydrants and 241 water main valve and valve boxes.

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
% of residents satisfied with the reliability of their water service	NA	88.1%	TBD
% of residents satisfied with the taste of their drinking water	NA	65.5%	TBD
% of residents satisfied with the smell of their drinking water	NA	66.5%	TBD
Lost time accidents	0	1	0
Water services installed	520	350	350
Water main breaks	55	40	40

MAJOR GOALS AND OBJECTIVES FOR 2008

1. Address taste and odor concerns noted in 2007 Citizen Survey.
2. Improve water quality, system profit, performance and equipment reliability, operational efficiency and safety through automation of process systems and implementation of Lawrence Utilities Management System.
3. Continue water main replacement program.
4. Implement replacement program of old major water distribution valves.

SIGNIFICANT ISSUES FOR 2008

Increases in personal services can be attributed to a 2% general wage adjustment, merit increases for eligible employees, and the increased cost of the City's share of employee health care. The capital outlay increase is for the purchase of vehicles and equipment for the division. Resource constraints will mean reductions in other categories including contractual services and contingency.

Water and Wastewater Fund

Debt Service

Account 501-7700-587

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	-	-	-	-
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	6,481,158	9,100,000	9,100,000	9,000,000
Transfers	-	-	-	-
Contingency	-	-	-	-
Total	\$ 6,481,158	\$ 9,100,000	\$ 9,100,000	\$ 9,000,000

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	0.00	0.00	0.00	0.00

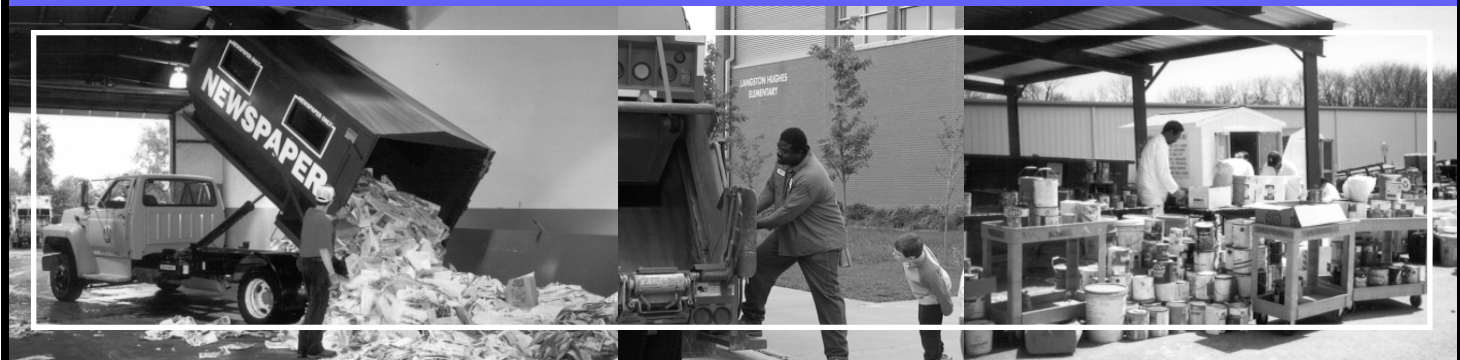
Water and Wastewater Fund

Non-Bonded Construction

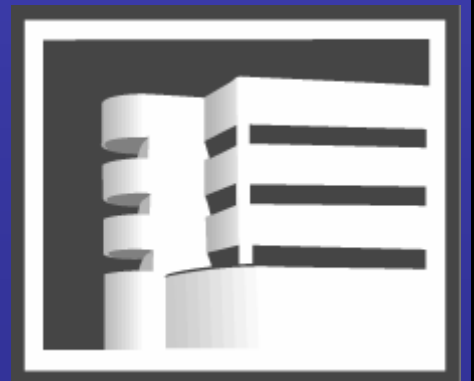
Account 501-7800-587

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	-	-	-	-
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Transfers	6,000,000	8,000,000	8,000,000	8,000,000
Contingency	-	-	-	-
Total	\$ 6,000,000	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	0.00	0.00	0.00	0.00

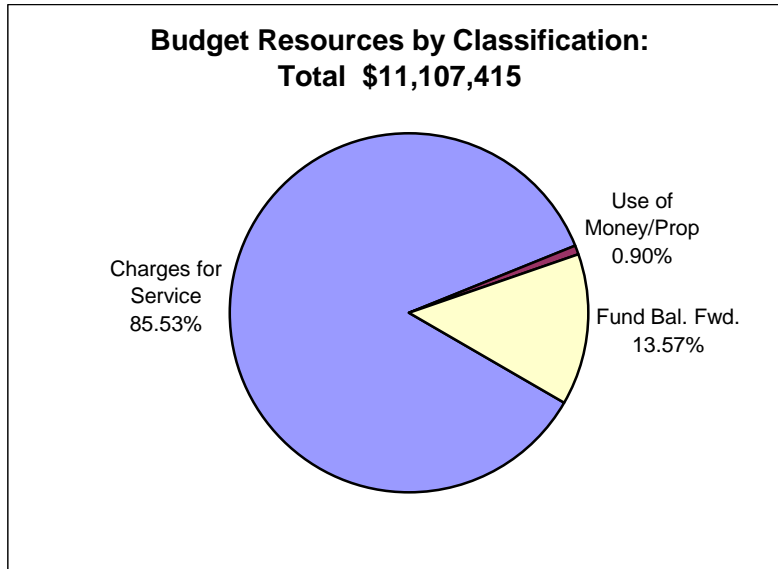


City of Lawrence, Kansas
Solid Waste Fund



SOLID WASTE FUND

Fund 502 – SOLID WASTE



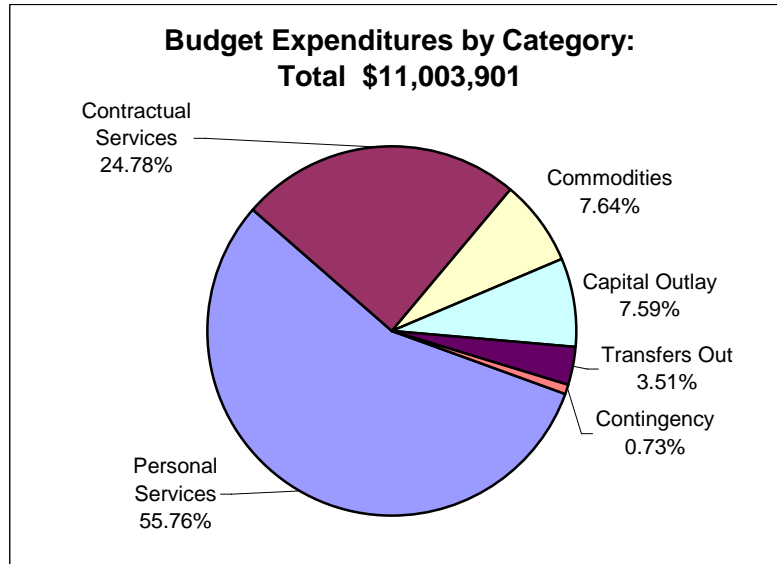
RECEIPTS	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
Sanitation Service Charge	6,830,635	7,073,000	7,073,000	7,392,000
Roll Off	1,562,162	1,400,000	1,545,000	1,620,000
Extra Pickups, Miscellaneous	510,713	500,000	420,000	488,000
State Grants	85,000	-	-	-
Interest on Investments	151,408	110,000	45,000	100,000
TOTAL RECEIPTS	9,139,918	9,083,000	9,083,000	9,600,000
Balance, January 1	3,762,580	1,909,708	3,276,396	1,507,415
TOTAL RESOURCES AVAILABLE	12,902,498	10,992,708	12,359,396	11,107,415

Revenue Sources - Descriptions and Trends

Revenue Sources- The Solid Waste Fund is an Enterprise Fund used to account for the operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing services (recycling, solid waste, and disposal of refuse) to the general public on a continuing basis is financed or recovered primarily through user charges. The primary revenue source for this fund is the charges for sanitation services, followed by roll-off charges to commercial and some residential customers. Rates for both residential and commercial solid waste services will increase in 2008.

Trends- As indicated, the solid waste revenues are projected conservatively and incrementally, to avoid large jumps in service charges in any one year. Increased maintenance and operating costs, as well as the growth in the number of customers and geographic size of the service area, continue to impact the revenue requirements for this fund.

Fund 502 – SOLID WASTE



EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
Personal Services	5,289,895	5,851,013	5,851,013	6,135,264
Contractual Services	2,552,754	2,759,328	2,759,328	2,727,072
Commodities	713,693	849,340	849,340	840,540
Capital Outlay	773,760	884,000	884,000	835,000
Debt Service	-	-	-	-
Transfer to Other Funds	296,000	403,300	403,300	386,025
Contingency	-	105,000	105,000	80,000
TOTAL EXPENDITURES	9,626,102	10,851,981	10,851,981	11,003,901
FUND BALANCE FORWARD	3,276,396	140,727	1,507,415	103,514

Expenditures - Descriptions and Trends

Personal Services- Cost of providing wages, salaries, retirement, and other fringe benefits for City employees. Increases continue due to projected 2% general wage adjustment, merit increases for eligible employees, and an increase in the City's share of the per employee health care costs.

Commodities - Goods and supplies for operating the divisions and providing the services of the department. The fluctuation since 2006 can be attributed in part to fluctuating fuel costs.

Capital Outlay - Funds for scheduled vehicle and equipment replacement. The needs to replace failing equipment and add additional equipment fluctuate as do expenditure levels.

Transfer to Other Funds - These funds are transferred to the City's Worker's Comp Fund and have increased steadily each year.

Contingency - Budgeted funds to cover emergency repairs or weather related situations that increase operating costs.

Solid Waste Fund

Residential Solid Waste

Account 502-3510-571

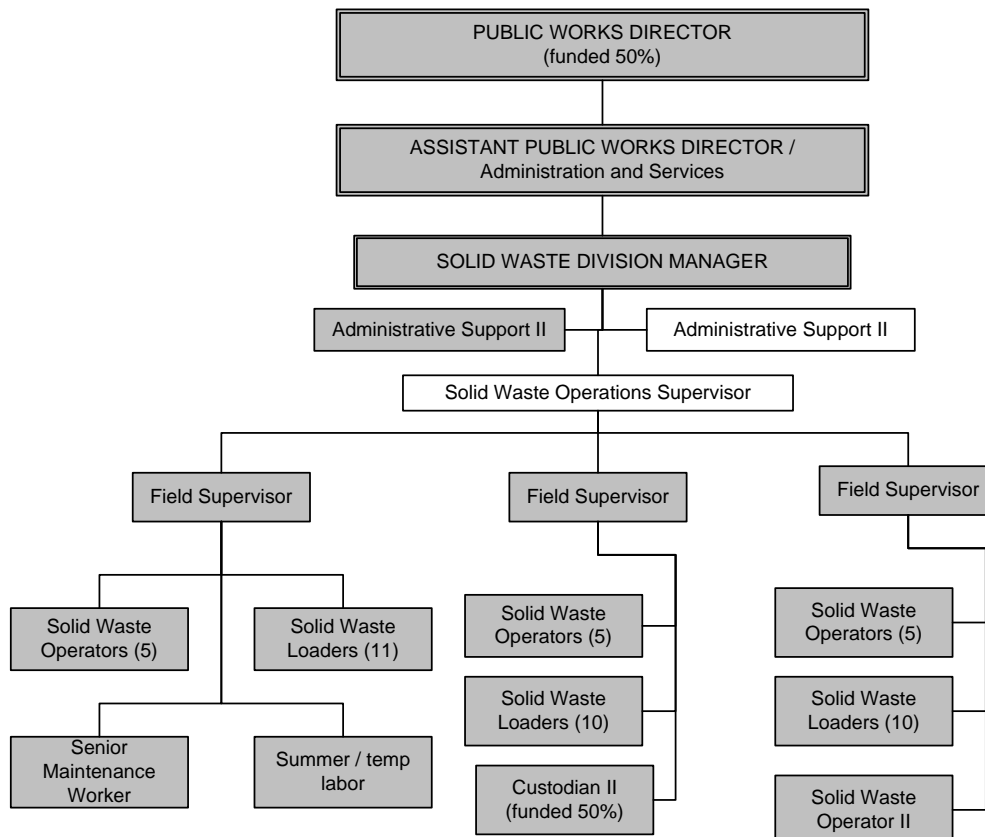
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 2,795,148	\$ 3,102,161	\$ 3,102,161	\$ 3,218,119
Contractual Services	1,037,042	1,113,288	1,113,288	1,092,672
Commodities	272,573	347,500	347,500	353,000
Capital Outlay	325,943	327,000	327,000	525,000
Debt Service	-	-	-	-
Transfers	165,000	219,500	219,500	224,225
Contingency	-	50,000	50,000	35,000
Total	\$ 4,595,706	\$ 5,159,449	\$ 5,159,449	\$ 5,448,016

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	52.84	54.84	54.84	54.84

ORGANIZATIONAL CHART



*Shading indicates positions funded from this account

PROFILE

The **Solid Waste Residential Collection Division** of the Public Works Department is charged with collection of refuse generated from residential areas. Residential collection is on Tuesday, Wednesday, and Thursday. Monday is used for yard waste pick-up and Friday is for training, equipment maintenance, bulk pick-up and special projects such as alley cleaning and neighborhood clean-ups.

Residential collection service is one of three divisions that make up this financially self-supporting enterprise fund. The Department of Finance handles billing in conjunction with their water and sewer utility billings. Other services include separate collection of tires from residential sources, collection of appliances, and neighborhood and alley clean-ups.

PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
% of residents satisfied or very satisfied with solid waste collection services	NA	91%	TBD
% of residents satisfied or very satisfied with yard waste collection services	NA	86%	TBD
Pounds of municipal solid waste disposed per person per day (KS normalized data)	3.42	3.5	3.5
% of yard waste in preferred containers	98.5%	98.9%	99.0%

CURRENT YEAR ACCOMPLISHMENTS

- Continued yard waste collection using preferred containers only with very positive rates of compliance.
- Provided residential yard waste services for more than 31,000 units with a citizen survey satisfaction rate over 90%.
- Expanded use of roll-out carts, providing convenience to customers and reducing the potential for injuries to solid waste employees.
- Expanded residential service by one rear-loader route.



MAJOR GOALS AND OBJECTIVES FOR 2008

1. To provide efficient collection of residential solid waste in a challenging environment, given a growing customer base and an expanding geographic service area.
2. To improve efficiency and effectiveness of grass and leaf collection processes from residential areas.
3. Continue increasing use of poly-carts for collection of residential solid waste.

SIGNIFICANT ISSUES FOR 2008

Increases in personal services can be attributed to 2% wage adjustment and merit increases for eligible employees. There is a reduction in the amount budgeted for contingency, however, there is also a significant increase in capital outlay due to the replacement of three loader trucks.

Solid Waste Fund

Commercial Solid Waste

Account 502-3520-572

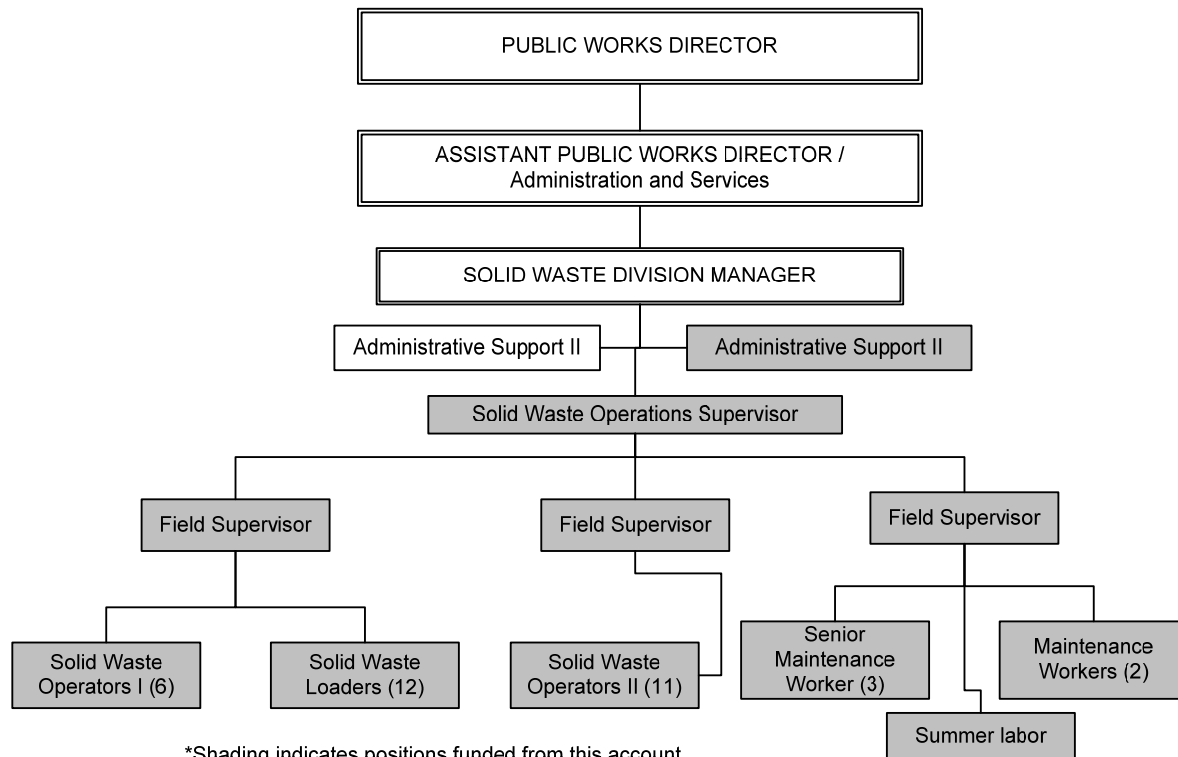
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 2,087,616	\$ 2,255,766	\$ 2,255,766	\$ 2,420,848
Contractual Services	1,271,333	1,400,604	1,400,604	1,418,064
Commodities	377,780	409,700	409,700	405,400
Capital Outlay	283,342	435,000	435,000	248,000
Debt Service	-	-	-	-
Transfers	128,000	155,650	155,650	158,500
Contingency	-	35,000	35,000	35,000
Total	\$ 4,148,071	\$ 4,691,720	\$ 4,691,720	\$ 4,685,812

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	38.00	39.00	39.00	39.00

ORGANIZATIONAL CHART



PROFILE

The **Solid Waste Commercial Collection Division** of the Public Works Department is responsible for the collection and disposal of all refuse and solid waste generated by commercial establishments, apartment complexes, industry, and most of the University of Kansas.

The division uses various types of equipment to handle the large volume of trash generated by these establishments. Regular rear-loading packer trucks are used where limited space prohibits the use of more highly mechanized equipment. Where possible, commercial accounts are served with front-loader trucks and the use of special containers.

Industries and large commercial trash generators may be served by roll-off units, which provide for compaction of the refuse in the container before disposal, or with open top containers. Most Commercial accounts are serviced on a fixed scheduled basis with extra pick-ups available on request. Roll-off accounts may be served on a scheduled basis or on-call.

Billing is handled through the Department of Finance in conjunction with regular water and sewer utility billing.

CURRENT YEAR ACCOMPLISHMENTS

- Use of the roll-off program continued to increase.
- Expansion of compactor lease programs, including the addition of several schools.
- Provided commercial solid waste services to over 1400 customers and industrial accounts



PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
% of residents satisfied or very satisfied with solid waste collection services	91%	91%	91%
% of roll-off accounts that are permanent placements	62%	65%	65%
% change in number of roll-off service calls	8.65%	5%	5%

MAJOR GOALS AND OBJECTIVES FOR 2008

1. To accommodate growth in commercial sector with greater number of dumpsters.
2. To address increase in roll off service demands.
3. Reconstruct two downtown trash enclosures per year.
4. Coordinate with the University of Kansas for dormitory closings and openings to handle large volumes of waste generated in an efficient and effective manner.

SIGNIFICANT ISSUES FOR 2008

Increases in personal services can be attributed to 2% wage adjustment and merit increases for eligible employees. Capital outlay has been reduced in keeping with revenue constraints.

Solid Waste Fund

Waste Reduction / Recycling

Account 502-3530-573

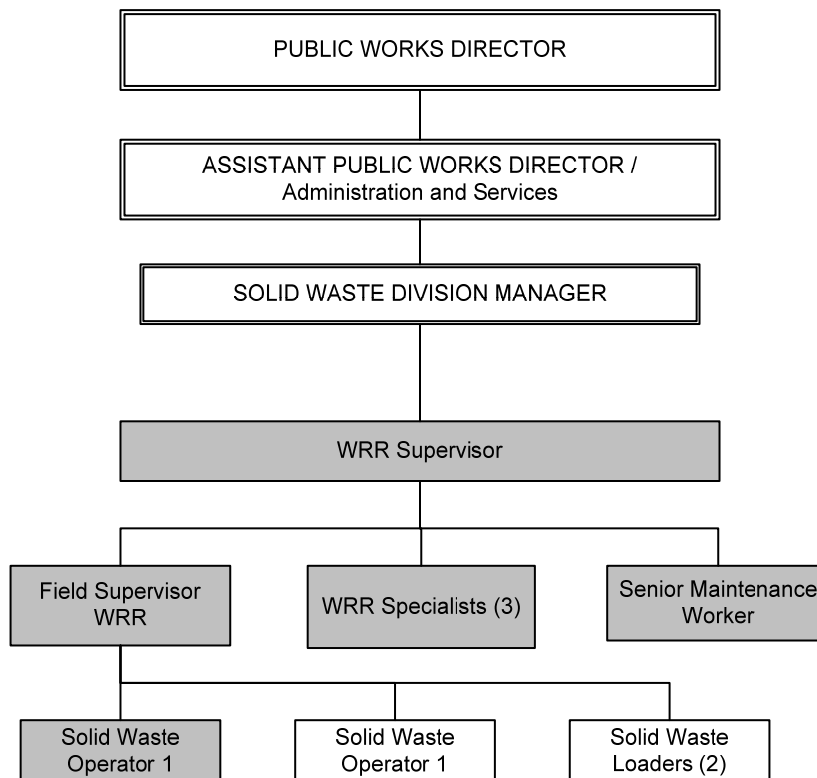
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 407,131	\$ 493,086	\$ 493,086	\$ 496,297
Contractual Services	244,379	245,436	245,436	216,336
Commodities	63,340	92,140	92,140	82,140
Capital Outlay	164,475	122,000	122,000	62,000
Debt Service	-	-	-	-
Transfers	3,000	28,150	28,150	3,300
Contingency	-	20,000	20,000	10,000
Total	\$ 882,325	\$ 1,000,812	\$ 1,000,812	\$ 870,073

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	7.00	8.00	8.00	8.00

ORGANIZATIONAL CHART



*Shading indicates positions funded from this account

PROFILE

The **Solid Waste Reduction Division** is responsible for programming recycling and waste reduction efforts of the City. The division conducts extensive public education and community awareness programs.

Residential services in this division include

- managing the household hazardous waste program;
- fibers recycling programs, such as the drop-off locations, collection, processing, and sale of collected materials for newspaper, cardboard and mixed paper;
- yard waste composting, testing, and annual giveaway events;
- home energy conservation fair; and
- other education and outreach through schools, community events, and direct technical assistance.

Commercial services include:

- managing the small quantity generator hazardous waste program;
- cardboard collection and recycling services for the central business district and other medium to small sized businesses; and
- technical assistance on a variety of recycling and resource conservation issues.

WRR staff are actively engaged in making professional presentations to community and school groups, as well as presenting at state or national conferences. The WRR Supervisor staffs the Sustainability Advisory Board.

CURRENT YEAR ACCOMPLISHMENTS

- Over 13,000 tons of material were recycled by the Solid Waste Division, including grass and leaves, newspaper, cardboard, brushy wood waste, holiday trees, and metals.
- Revenue from the sale of recycling materials exceeded \$100,000, and avoided landfill fees exceeded \$200,000.
- Special education and outreach programs were designed for effective and environmentally friendly management of wastes. Major special events included the Earth Day activities and the Home Energy Conservation Fair.
- Staff provided support for the Sustainability Advisory Board.

PERFORMANCE INDICATORS

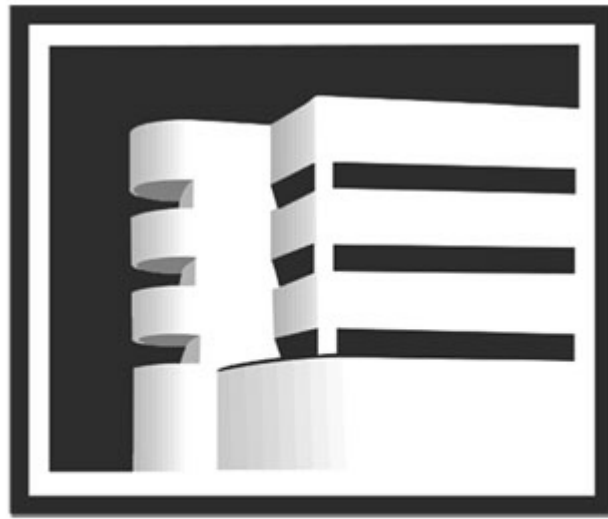
Indicator	2006 Actual	2007 Estimated	2008 Target
% of municipal solid waste recycled	NA	34%	TBD
Pounds of municipal solid waste disposed per person per day (KS normalized data)	NA	3.5	TBD
% of residents satisfied with the City's drop-off recycling sites	NA	50%	TBD
% of residents satisfied with the City's efforts to inform citizens about recycling opportunities	NA	50%	TBD
% of residents satisfied with household hazardous waste disposal services	NA	51.8%	TBD

MAJOR GOALS AND OBJECTIVES FOR 2008

1. To provide an appropriate level of recycling and waste reduction for the community.
2. To increase the number of households served by the Household Hazardous Waste program.
3. To expand the Small Quantity Generator program to assist with the appropriate management of hazardous wastes in the community.
4. To provide quality education and outreach on recycling and waste reduction opportunities in the community.
5. To conduct a community survey regarding citizen interest in a curbside recycling program at various price points.

SIGNIFICANT ISSUES FOR 2008

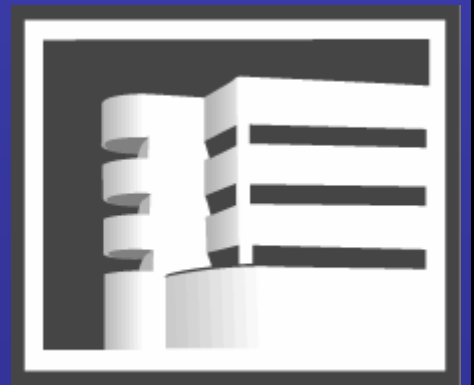
Reductions are necessary in categories other than personal services due to revenue constraints in this fund.



City of
Lawrence

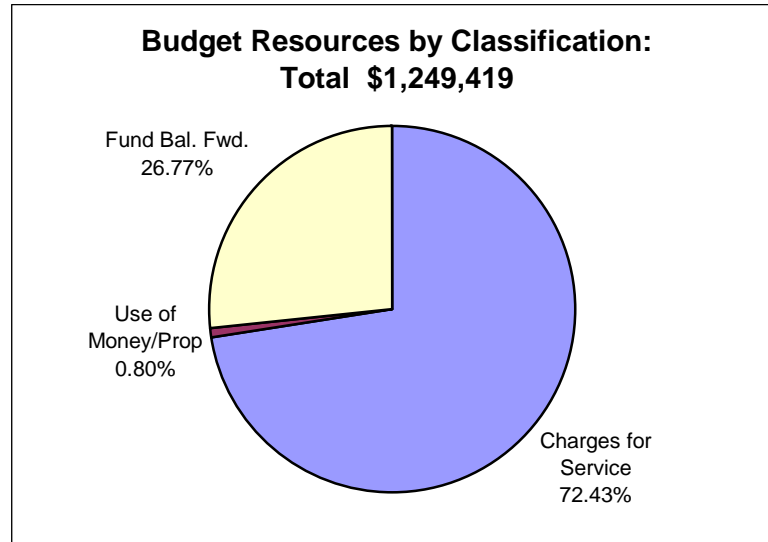


City of Lawrence, Kansas **Public Parking Fund**



PUBLIC PARKING SYSTEM FUND

Fund 503 – PUBLIC PARKING SYSTEM



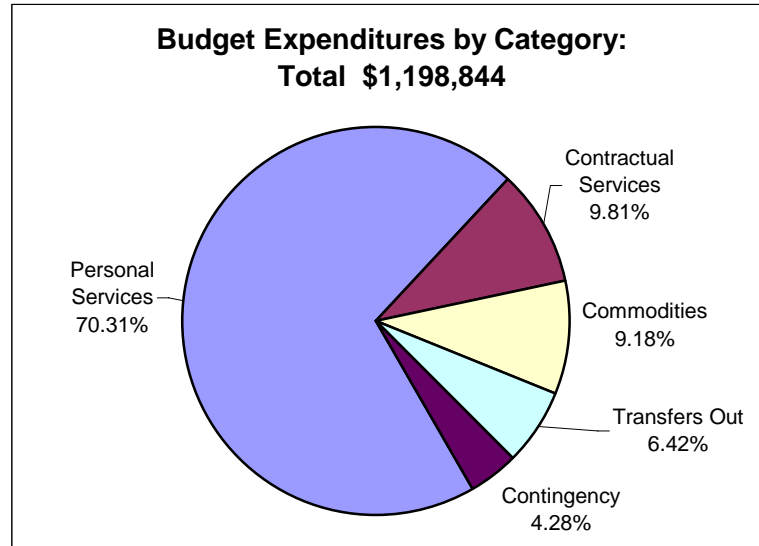
	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
RECEIPTS				
Meter	393,462	380,000	380,000	380,000
Overtime Parking	378,336	300,000	300,000	350,000
Riverfront Garage	163,087	175,000	175,000	160,000
9th & New Hampshire Garage	19,829	15,000	15,000	15,000
Interest on Investments	13,906	10,000	10,000	10,000
Lease Payment	-	-	-	-
Miscellaneous	52	-	-	-
TOTAL RECEIPTS	968,672	880,000	880,000	915,000
Balance, January 1	456,934	318,264	606,593	334,419
TOTAL RESOURCES AVAILABLE	1,425,606	1,198,264	1,486,593	1,249,419

Revenue Sources - Descriptions and Trends

Revenue Sources- The Public Parking Fund is an Enterprise Fund used to account for the operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing services (operation of all parking facilities owned by the City) to the general public on a continuing basis is financed or recovered primarily through user charges. The primary revenue sources for this fund are parking meter receipts, followed by revenue from overtime parking citations. The City's two garages (Riverfront and 9th/New Hampshire) both collect fees from parking permits and collection boxes.

Trends- The City Commission has not raised the fines for overtime parking since 2004. Ongoing review of system-wide parking rates is recommended in order to assure adequate maintenance and operation support for the system.

Fund 503 – PUBLIC PARKING SYSTEM



EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
Personal Services	631,767	686,879	686,879	821,824
Contractual Services	129,207	123,925	123,925	114,700
Commodities	31,039	186,370	186,370	107,320
Capital Outlay	-	30,000	30,000	30,000
Debt Service	-	-	-	-
Transfer	27,000	75,000	75,000	75,000
Contingency	-	50,000	50,000	50,000
TOTAL EXPENDITURES	819,013	1,152,174	1,152,174	1,198,844
FUND BALANCE FORWARD	606,593	46,090	334,419	50,575

Expenditures - Descriptions and Trends

Personal Services- Cost of wages, salaries, retirement, and other fringe benefits for City employees and to some extent, part-time, seasonal staff. This fund provides the funding for staff from four separate departments involved in public parking operations: police officers, parking control officers, a parking control technician, a maintenance worker, court clerks, and part-time seasonal employees. An increase is budgeted for 2008 for increased health care costs and wage adjustments for eligible employees. Also, personnel costs for a police officer position were moved to this fund from the General Operating Fund.

Commodities- Per Commission direction to enhance beautification efforts in the downtown parking areas, an increase was budgeted in 2007 however, due to revenue constraints, this amount was decreased in 2008. The cost of overlaying one of the parking garages was also included in the 2007 budget, but not in the 2008 budget.

Transfer - These funds are transferred into a reserve fund for maintenance and repairs to parking facilities. The increase reflects the increased need for repairs to these facilities as they age.

Public Parking System Fund

Parking Control

Account 503-2300-503

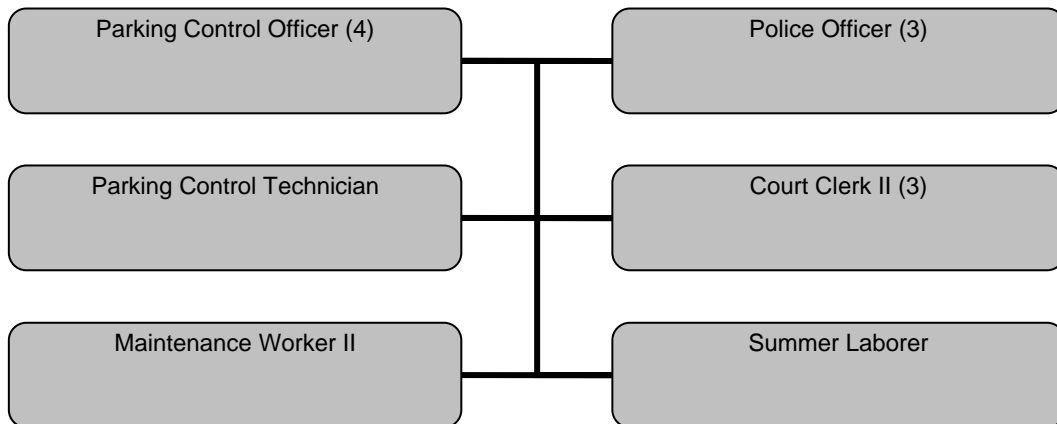
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
Personal Services	\$ 631,767	\$ 686,879	\$ 686,879	\$ 821,824
Contractual Services	129,207	123,925	123,925	114,700
Commodities	31,039	186,370	186,370	107,320
Capital Outlay	-	30,000	30,000	30,000
Debt Service	-	-	-	-
Transfer	27,000	75,000	75,000	75,000
Contingency	-	50,000	50,000	50,000
Total	\$ 819,013	\$ 1,152,174	\$ 1,152,174	\$ 1,198,844

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	13.00	13.00	13.00	14.00

ORGANIZATIONAL CHART



PROFILE

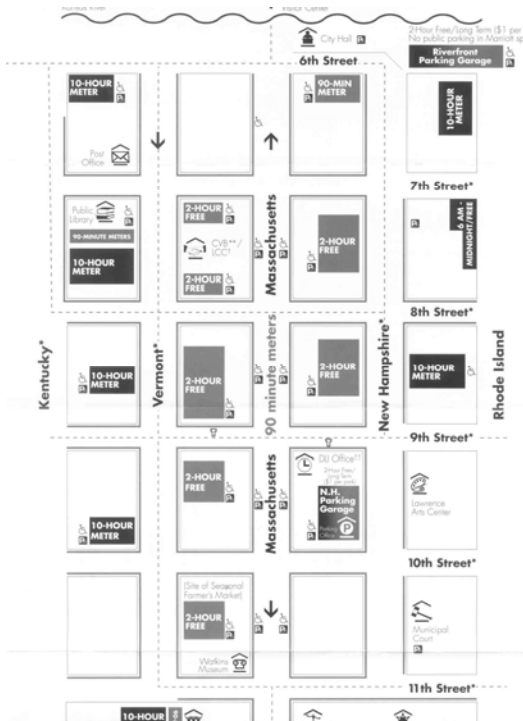
The **Public Parking Division** is charged with the responsibility of enforcing parking regulations and meter time limits in the Central Business District to provide adequate parking turnover in the downtown area.

The parking meter program includes meter and zone enforcement, meter maintenance, meter collections and debt service. In conjunction with the Public Works and Parks and Recreation Departments, the division maintains existing lots and landscapes the arcades and planters along Massachusetts Street.

This division also maintains the Riverfront Garage as well as the New Hampshire Parking Garage. Revenues from the garage are used to finance operations and make transfers to the parking reserve fund to finance maintenance and improvements in the overall public parking system.

CURRENT YEAR ACCOMPLISHMENTS

- Provided janitorial, repair, landscaping, and maintenance services for parking lots owned and operated by the City of Lawrence.
- Worked with downtown businesses and DLI to maximize signage during waterline project for patrons to locate parking facilities easily and continue to access businesses during construction.



PERFORMANCE INDICATORS

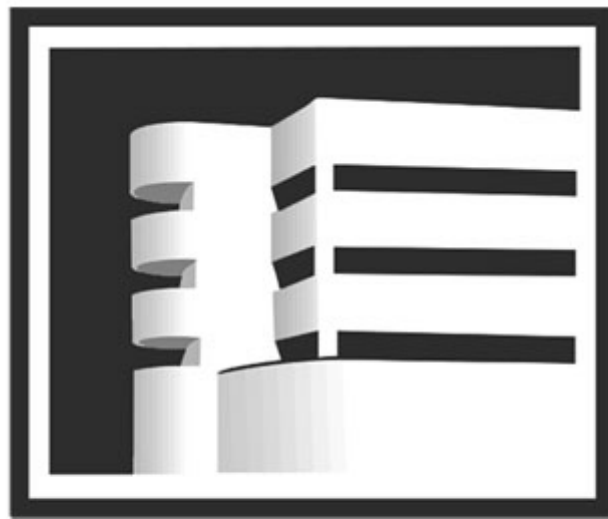
Indicator	2006 Actual	2007 Estimated	2008 Target
% of residents satisfied with parking enforcement services	NA	58.8%	TBD
% of residents satisfied with the availability of parking downtown	NA	42.9%	TBD
% of residents satisfied with the beautification of downtown	NA	68%	TBD

MAJOR GOALS AND OBJECTIVES FOR 2008

1. To provide efficient and effective enforcement of meter and lot violations.
2. To provide adequate public parking downtown.
3. To optimize use of all city operated parking facilities, maximizing revenue.
4. To maintain public garages and parking areas that are aesthetically pleasing, clean, and safe.
5. To increase meter violation fine collection by sending mailers bi-weekly instead of monthly.
6. To increase the use of the credit card payment option.

SIGNIFICANT ISSUES FOR 2008

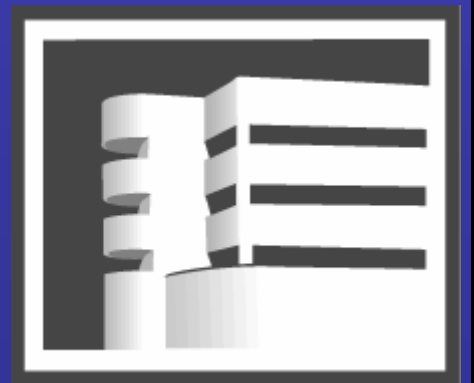
Increases in personal services are due to a 2% general wage adjustment, merit increases for eligible employees and increased costs for employee health care coverage. Personnel costs for a police officer positions were also moved into this fund from the General Operating Fund. Revenue constraints will mean maintaining or reducing expenditures in other categories.



City of
Lawrence

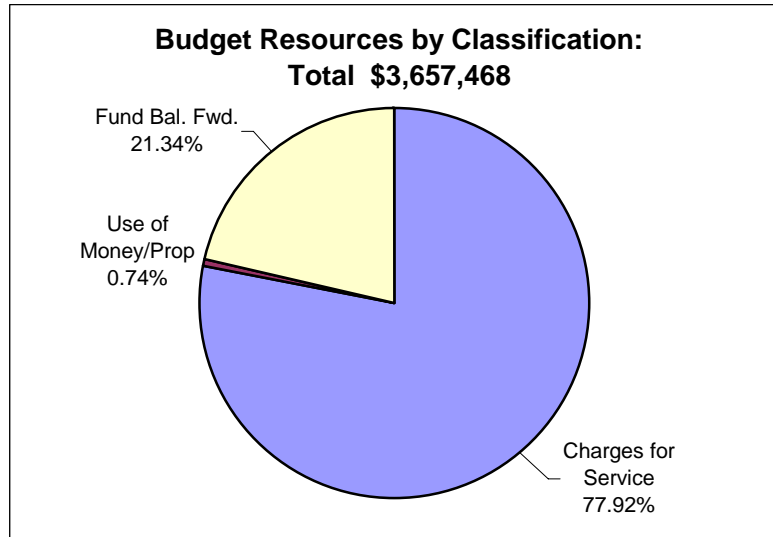


City of Lawrence, Kansas
Storm Water Utility Fund



STORM WATER UTILITY FUND

Fund 505 – STORM WATER UTILITY



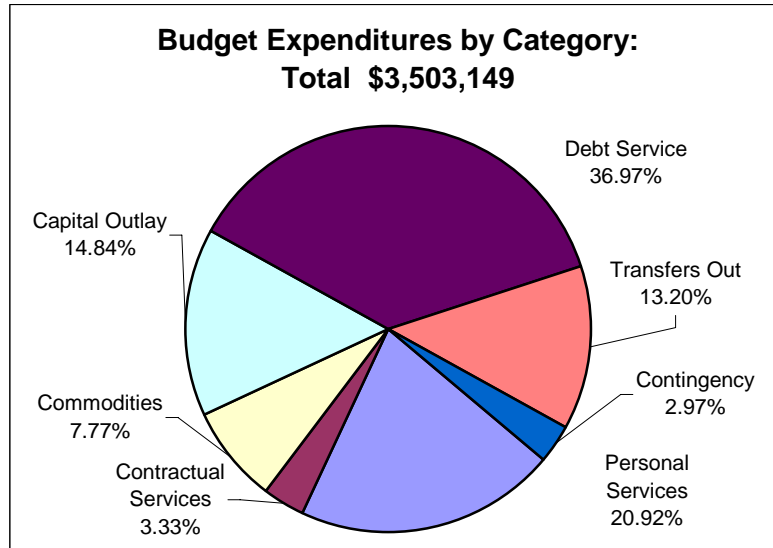
	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
RECEIPTS				
Storm Water Utility Charges	2,794,985	2,800,000	2,800,000	2,850,000
Interest on Investments	63,753	50,000	50,000	20,000
Miscellaneous	(45,190)	-	-	7,000
Debt Proceeds	209,766	-	-	-
TOTAL RECEIPTS	3,023,314	2,850,000	2,850,000	2,877,000
Balance, January 1	2,324,462	1,259,604	1,950,782	780,468
TOTAL RESOURCES AVAILABLE	5,347,776	4,109,604	4,800,782	3,657,468

Revenue Sources - Descriptions and Trends

Revenue Sources- The Storm Water Utility Fund is an Enterprise Fund used to account for the operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing services (repair and maintenance of the storm water system) to the general public on a continuing basis is financed or recovered primarily through user charges. The primary revenue source for this fund is the charges for storm water service and is calculated by assessing each property based on its impervious surface. A Storm Water Master Plan projects the projects and priorities for capital improvements to the infrastructure and rates are adjusted accordingly.

Trends- The City Commission approved a \$1.00 increase in the storm water fees effective January 1, 2003. This increase brought the rate to \$4.00 per equivalent residential unit (ERU) and is based on a rate study completed in 2000. Rates will not increase in 2008 because revenue necessary in order to complete priority storm water projects is adequate. Maintenance of the storm water system is a priority, including meeting the NPDES permit requirements.

Fund 505 – STORM WATER UTILITY



EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
Personal Services	632,784	697,129	697,129	732,908
Contractual Services	168,868	118,740	118,740	116,540
Commodities	269,225	270,450	270,450	272,200
Capital Outlay	370,218	520,000	520,000	520,000
Debt Service	1,530,899	1,391,745	1,391,745	1,295,088
Transfer to Other Funds	425,000	843,250	843,250	462,413
Contingency	-	179,000	179,000	104,000
TOTAL EXPENDITURES	3,396,994	4,020,314	4,020,314	3,503,149
FUND BALANCE FORWARD	1,950,782	89,290	780,468	154,319

Expenditures - Descriptions and Trends

Personal Services- Cost of providing wages, salaries, retirement, and other fringe benefits for City employees and to some extent, part-time, seasonal staff. Increases in 2008 are due to a 2% general wage adjustment and merit increases for eligible employees. Additionally, the City's share of the per employee health care costs have increased for 2008.

Debt Service- Debt Service expenditures allow for the payment of bonded debt at the completion of construction for major improvement projects. The division will pay debt service on two major phases of storm water project construction until 2009.

Transfer- Transfers to the General Fund will allow for additional funding for the Workers Comp Reserve Fund as well as continued funding of the curb repair program. In 2007, a substantial transfer was made to the Capital Improvement Reserve Fund. Revenue constraints will prevent this transfer from being repeated in 2008.

Storm Water Utility Fund

Storm Water Utility

Account 505-3900-579

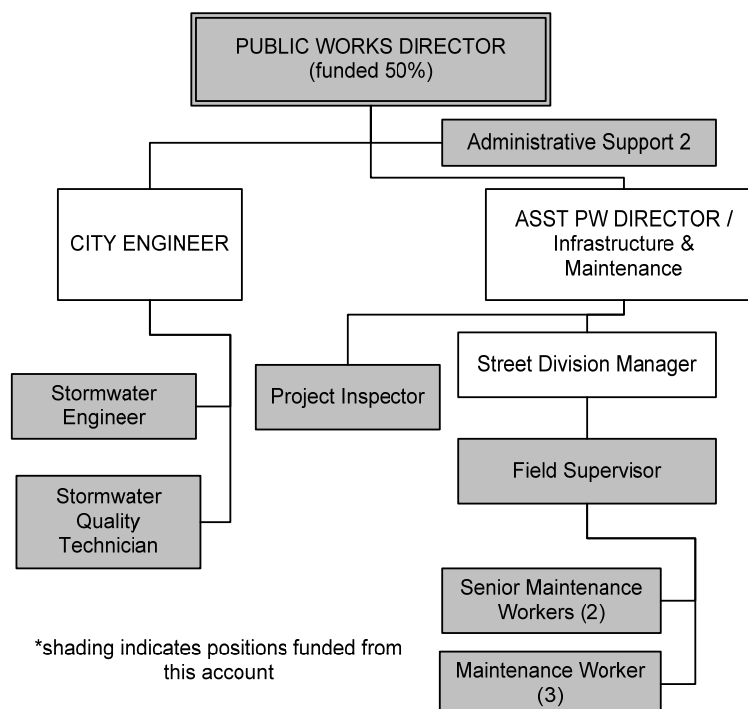
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 632,784	\$ 697,129	\$ 697,129	\$ 732,908
Contractual Services	168,868	118,740	118,740	116,540
Commodities	269,225	270,450	270,450	272,200
Capital Outlay	370,218	520,000	520,000	520,000
Debt Service	1,530,899	1,391,745	1,391,745	1,295,088
Transfers	425,000	843,250	843,250	462,413
Contingency	-	179,000	179,000	104,000
Total	\$ 3,396,994	\$ 4,020,314	\$ 4,020,314	\$ 3,503,149

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	10.50	10.50	10.50	10.50

ORGANIZATIONAL CHART



PROFILE

The **Storm Water Engineering Division** of the Department of Public Works is responsible for scheduled capital improvements to the storm drainage system, maintenance of the existing storm drainage system, review of drainage design in new development and compliance with federal water quality regulations. These tasks are funded by storm water utility fees administered by division personnel. Major division goals and a majority of funds are focused on capital improvements. The schedule for capital improvements is directly related to the revenue generated by utility fees.

CURRENT YEAR ACCOMPLISHMENTS

- Continued focus on inlet maintenance and open channel debris removal.
- On-going infrastructure audit for storm water features, including field and GIS data collection work.
- Continued implementation of federal water quality regulations (NPDES.)
- LOMR (Letter of Map Revision) completed for 13th and Oregon. The LOMR is submitted to FEMA for revision of the national flood insurance rate maps.
- Acquisition of software to enhance our modeling capabilities for watershed analysis.



PERFORMANCE INDICATORS

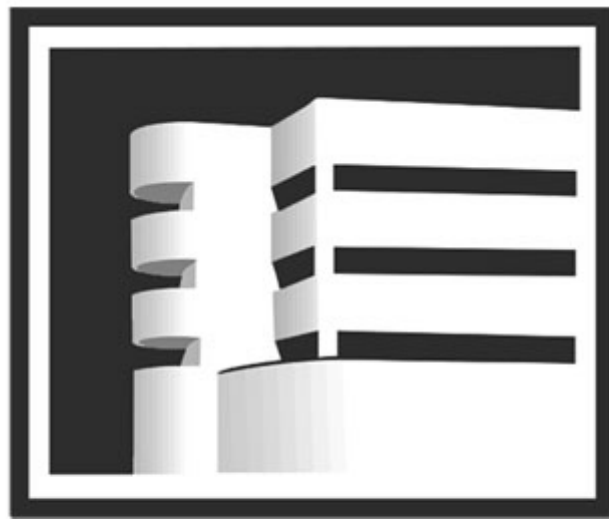
Indicator	2006 Actual	2007 Estimated	2008 Target
% of residents satisfied or very satisfied with City's stormwater management program	53%	53%	53%
% of storm water problems that require action after issuance of a notice of violation	31%	49%	NA
Number of storm water quality violations issued	180	175	NA
Number of storm water education program participants	385	685	NA

MAJOR GOALS AND OBJECTIVES FOR 2008

1. Comprehensive planning for next stage of construction of capital improvement projects.
2. Continued implementation of the storm water pollution prevention ordinance.
3. Completion of remaining NPDES requirements, including pollutant discharge detection, city employee training, and possible land use regulations and construction standards.
4. Watershed modeling of specific watersheds. One goal for 2008 is to review the Burroughs Creek water shed and submit a LOMR for 21 and Barker Ct., if appropriate.

SIGNIFICANT ISSUES FOR 2008

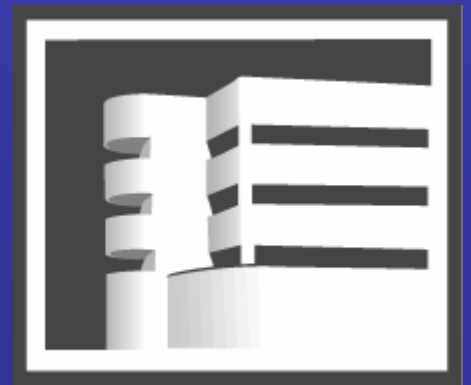
Increases in personal services can be attributed to 2% wage adjustment and merit increases for eligible employees. Reductions in other categories are in order to stay within revenue constraints, especially transfers.



City of
Lawrence

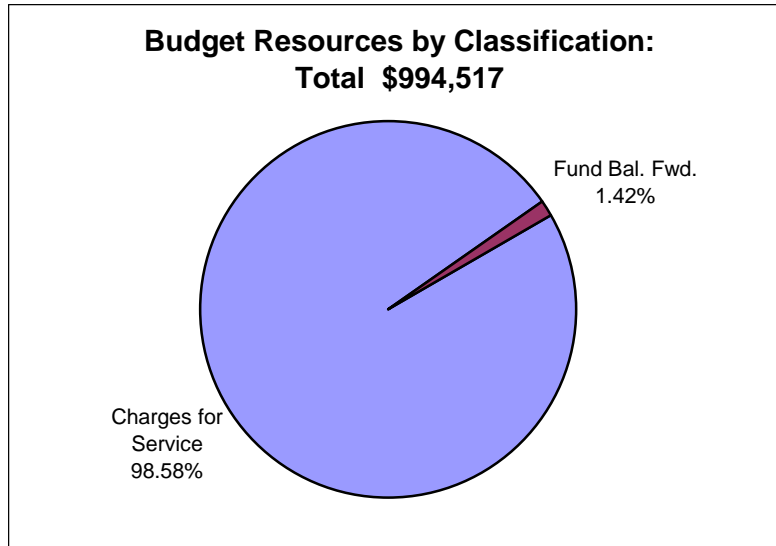


City of Lawrence, Kansas
Public Golf Course Fund



PUBLIC GOLF COURSE FUND

Fund 506 – PUBLIC GOLF COURSE



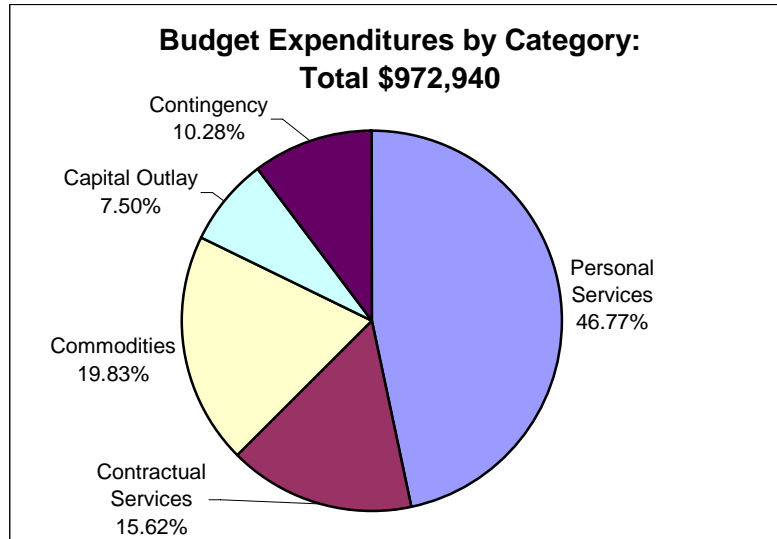
	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
RECEIPTS				
Golf Course Fees	1,041,877	1,000,000	1,000,000	1,009,000
Interest on Investments	-	-	-	-
Miscellaneous	1,009	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,042,886	1,000,000	1,000,000	1,009,000
Balance, January 1	(37,904)	30,560	(10,180)	(14,483)
TOTAL RESOURCES AVAILABLE	1,004,982	1,030,560	989,820	994,517

Revenue Sources - Descriptions and Trends

Revenue Sources- The Public Golf Course Fund is an Enterprise Fund used to account for the operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing services (operations of the publicly owned Eagle Bend Golf Course) to the general public on a continuing bases is financed or recovered primarily through user charges. The primary revenue source for this fund is golf course fees.

Trends- As a weather-dependent entity, this fund sees fluctuations depending on the availability of good weather for golfers.

Fund 506 – PUBLIC GOLF COURSE



EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimated	2008 Budget
Personal Services	401,489	453,303	453,303	455,040
Contractual Services	129,642	148,500	148,500	152,000
Commodities	187,296	179,500	179,500	192,900
Capital Outlay	7,500	73,000	73,000	73,000
Debt Service	289,235	-	-	-
Contingency	-	150,000	150,000	100,000
TOTAL EXPENDITURES	1,015,162	1,004,303	1,004,303	972,940
FUND BALANCE FORWARD	(10,180)	26,257	(14,483)	21,577

Expenditures - Descriptions and Trends

Personal Services - Personnel costs have increased due merit increases for eligible employees, as well as rising health care costs.

Commodities - Expenses are somewhat weather dependent for maintenance/care of the grounds. Fuel cost and the level of grub control have increased over 2007.

Capital Outlay - Funds are needed to purchase equipment for the maintenance of the golf course. Due to revenue limitations, funding levels remain at 2007 levels.

Debt Service - Beginning in 2007, debt service payments were no longer made from this fund. Instead, debt service payments are made from the Sales Tax Reserve Fund, which funds all other parks and recreation debt.

Public Golf Course Fund

Golf Course

Account 506-4900-599

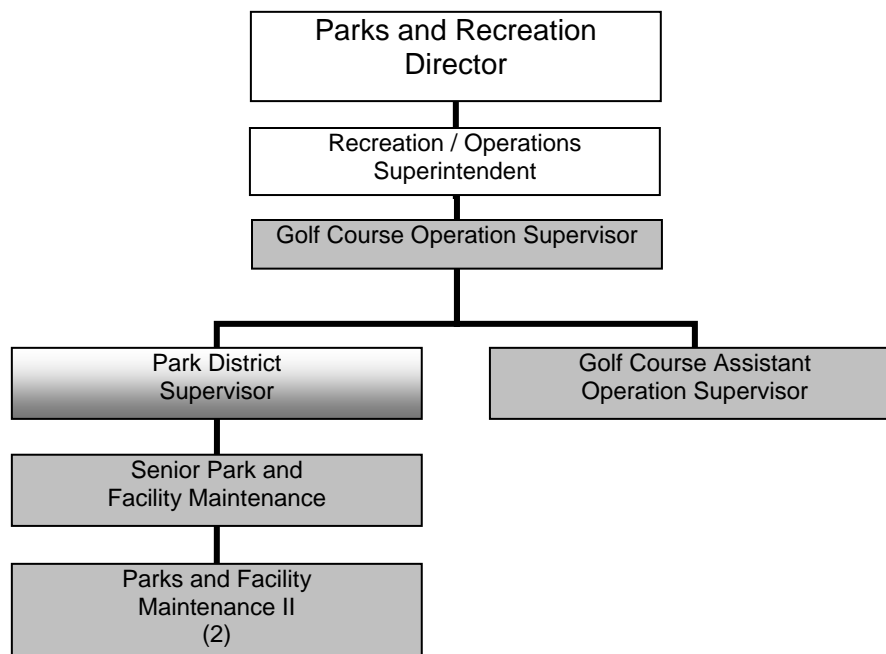
EXPENDITURE SUMMARY

EXPENDITURES	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Personal Services	\$ 401,489	\$ 453,303	\$ 453,303	\$ 455,040
Contractual Services	129,642	148,500	148,500	152,000
Commodities	187,296	179,500	179,500	192,900
Capital Outlay	7,500	73,000	73,000	73,000
Debt Service	289,235	-	-	-
Contingency	-	150,000	150,000	100,000
Total	\$ 1,015,162	\$ 1,004,303	\$ 1,004,303	\$ 972,940

PERSONNEL SUMMARY

PERSONNEL	2006 Actual	2007 Adopted	2007 Estimate	2008 Budget
Authorized Positions	6.00	6.00	5.50	5.50

ORGANIZATIONAL CHART



Shading indicates positions funded through this account.
Partial shading indicates positions funded in more than one division or Fund.

PROFILE

The **municipal golf course division** is responsible for the operation and maintenance of Eagle Bend Golf Course and related facilities. The \$3.2 million dollar, 18 hole municipal golf course, in its ninth year of operation, is located east of the Clinton Lake Dam in the southwest quadrant of the City.

Eagle Bend is designed along the Wakarusa River channel located below the Clinton Reservoir Dam. As a member of the Audubon Cooperative Sanctuary program for golf courses, Eagle Bend is dedicated to continuing the preservation of the environment and habitat of wildlife.

CURRENT YEAR ACCOMPLISHMENTS

- Worked with the Lawrence County Club to accommodate their membership during their club course renovations.
- Upgraded Rectrac/Golftrac software and hardware to help serve the golf community more efficiently.
- Improvements to Clubhouse and furnishings
- Added new programs and created a couples league
- Purchased new mowing equipment
- Played host to over 30 tournaments
- Improved drainage on #1& 15 fairways



PERFORMANCE INDICATORS

Indicator	2006 Actual	2007 Estimated	2008 Target
% of residents satisfied with the quality of Eagle Bend Golf Course	NA	58.8%	TBD
% of overall golf experience rated good or excellent	93.94%	92%	95%

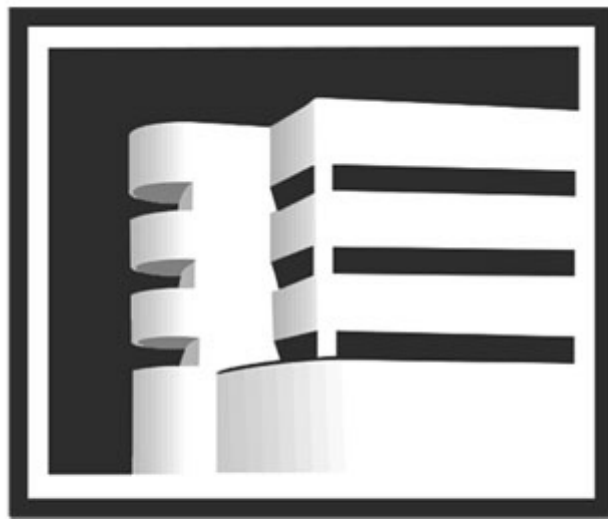
MAJOR GOALS AND OBJECTIVES FOR 2008

1. To operate the Eagle Bend Golf Course facility with golf course fees and receipts.
2. To increase the number of players by offering great customer service, well maintained facility and continuing the marketing plan started in 2004.
3. To increase programs and explore ways to get more children interested in the game of golf.

SIGNIFICANT ISSUES FOR 2008

Increases in commodities are due to higher fuel costs and increased grub control to course rough areas.

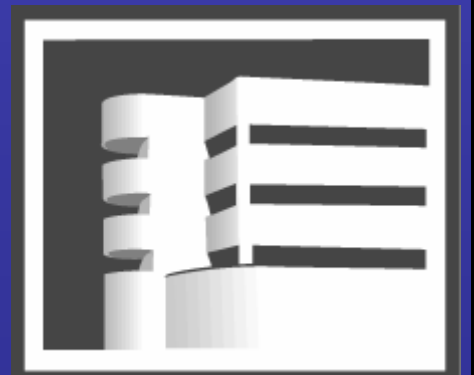
Other issues include maintaining the golf course and offering continued excellent service for customers within the confines of the projected revenue estimates will be a challenge, particularly if weather is a factor in number of rounds played. Adding 12 carts to the fleet will allow larger tournaments and the course to compete with others for 5-somes to play as a group. Trainings for personnel on Customer service will be increased to meet our goals to the consumer along with continuing to improve the condition and playability of the course.



City of
Lawrence



City of Lawrence, Kansas
Capital Improvement Budget



Capital Improvement Budget

CAPITAL IMPROVEMENT BUDGET SUMMARY

Introduction

The Capital Improvement Plan (CIP) is a tool to help City Commissioners look beyond year to year budgeting to determine what, when, where and how future public improvements will take place over the next six years. The Capital Improvement Budget is made up of capital projects contained in the City's Capital Improvement Plan.

Capital Project Defined

A capital project is defined as a project with a minimum total cost of \$25,000 resulting in 1) the creation of a new fixed asset; or 2) enhancement to an existing fixed asset with a life expectancy of at least 20 years. Examples include construction or expansion of public buildings, new storm and sanitary sewers, water line upgrades and extensions, the acquisition of land for public use, planning and engineering costs, and street construction.

Vehicle replacements less than \$35,000 or projects considered as operational, recurring, or maintenance are not considered capital projects and are typically funded through the City's Operating Budget.

Capital Improvement Process

Each year, capital project lists are submitted by various City departments, agencies, and the public. The projects are reviewed by the Capital Improvement Administrative Review Committee made up of representatives from several departments, as well as a City Commissioner and a member of the Planning Commission. The Committee uses the set of scoring criteria and the scoring matrix found on page P-4 to determine a score for every project submitted. The scores are translated into priority rankings.

The Administrative Review Committee then submits a draft Capital Improvement Plan to the Planning Commission, who reviews the Plan and ensures all projects included are consistent with the City's Comprehensive Plan, Horizon 2020. The draft Capital Improvement Plan is then submitted to the City Commission for approval.

Capital Improvement Budget

Each year, a Capital Improvement Budget is prepared each year in conjunction with the City's Annual Operating Budget. The Capital Improvement budget has a number of revenue sources, including current revenues, state and federal grants, special assessment benefit districts, and the issuance of debt. The Capital Improvement Budget can be found on page P-6.

Capital Improvement Budget Process

Each year, the City Commission selects projects from the Capital Improvement Plan to include in the Capital Improvement Budget. First, the Administrative Review Committee projects the funding available from property taxes levied for bond and interest payments using a three-tier system. The first tier is a projected level of funding if the property tax levy for debt support from the previous year was maintained. The second tier is a projected level of funding with an increase of 0.25 mills over the debt levy from the previous year. The third tier is a projected level of funding that would be available if the debt levy from the previous year was increased by 0.50 mills.

Next, the Committee projects the portion of the countywide sales tax that the City receives each year that will be used to fund capital projects. Historically, these funds have been used to cash finance as well as debt finance projects related to Parks and Recreation.

CAPITAL IMPROVEMENT BUDGET SUMMARY

The project ranking list, the funding tiers, and the sales tax projections are used to develop the City Manager's Recommended Capital Improvement Budget along with the Operating Budget, which is submitted for adoption by the City Commission.

Impact of Capital Budget on Operating Budget

The Capital Improvement Budget impacts the operating budget in several ways. For example, construction of a new roadway means additional snow removal that must be done, additional area that must be patrolled by police officers, and additional right of way that must be maintained. This can mean budgeting for more staff, equipment, contractual services, etc. Major improvements can also impact revenues. New road improvements can provide access to new commercial and residential developments, which when developed, can increase the property tax base and may generate additional sales tax.

Additional detail regarding anticipated impacts from these projects on the operating budget can be found beginning on pages P-8.

2008 CAPITAL IMPROVEMENT BUDGET SCORING MATRIX

Criteria	Possible Scores		
	0	1	2
consistency with community goals and plans	project is inconsistent with City's Comprehensive Plan or does nothing to advance the City Commission's strategic goals	project is consistent the City's Comprehensive Plan but does little to advance the City Commission's strategic goals	project are directly consistent with the City's Comprehensive Plan and advances the strategic goals of the City Commission
public health and safety	project would have no impact on existing public health and/or safety status	project would increase public health and/or safety but is not an urgent, continual need or hazard	project addresses an immediate, continual safety hazard or public health and/or safety need
Mandates or other legal requirements	project is not mandated or otherwise required by court order, judgment, or interlocal agreements	project would address anticipated mandates, other legal requirements, or interlocal agreements	project required by federal, state, or local mandates, grants, court orders and judgments; required as part of interlocal agreements
maintains or improves standard of service	project not related to maintaining an existing standard of service	project would maintain existing standard of service	project would address deficiencies or problems with existing services; would establish new service
extent of benefit	projects would benefit only a small percentage of citizens or particular neighborhood or area	project would benefit a large percentage of citizens or many neighborhoods or areas	project would benefit all of the citizens, neighborhoods, or areas
related to other projects	project is not related to other projects in the Capital Improvement Plan already underway	project linked to other projects in the Capital Improvement Plan already underway but not essential to their completion	project essential to the success of other projects identified in Capital Improvement Plan already underway
public perception of need	project has no public support or established voter appeal; is not identified by the citizenry as a need	project has been identified by the citizenry as a need in the community but lacks strong support	project has technical and strong political support, project was suggested by or even demanded by large number of citizens
efficiency of service	project would have no impact on the efficiency of service	project would result in savings by eliminating obsolete or inefficient facilities	project would result in significant savings by increasing the efficiency of the performance of a service or reducing the on-going cost of a service or facility
supports economic development	project would discourage or directly prevent capital investment, decrease the tax base, decrease valuation, or decrease job opportunities	project would have no impact on capital investment, the tax base, valuation, or job opportunities	project would directly result in capital investment, increased tax base, increased valuation, or improved job opportunities
environmental quality	project would have a negative effect on the environmental quality of the city	project would not effect the environmental quality of the city	project would improve the sustainability of the environment
feasibility of project	project is unable to proceed due to obstacles (land acquisition, easements, approval required)	minor obstacles exist, project is not entirely ready to proceed	project is entirely ready to proceed, no obstacles (land acquisition or easements, approvals required, etc.) exist
opportunity cost	if deferred, the increase in project costs would be less than the rate of inflation	if deferred, the increase in project costs would be equal to inflation	if deferred, the increase in project costs would be greater than the rate of inflation
operational budget impact	project would significantly increase debt service, installment payments, personnel or other operating costs or decrease revenues	project would neither increase or decrease debt service, installment payment, personnel or other operating costs or revenues	project would decrease debt service, installment payments, personnel or other operating costs or increase revenues

2008 CAPITAL IMPROVEMENT BUDGET

ADMINISTRATIVE REVIEW COMMITTEE SCORES FOR 2008 PROJECTS

PROJECT TITLE	TOTAL SCORE GIVEN BY ADMINISTRATIVE REVIEW COMMITTEE
Projects To Be Funded in 2008 Capital Budget	
19th & Louisiana	21
6th Street ITS	21
KLINK	20
23rd & Harper	18
Ohio Brick Street Renovation	15
Engine 6 - 628	20
Engine 7 - 629	20
Evidence Storage & Processing Facility - Wakarusa Drive - Phase 1 Construction	19
Fixed-Route Bus Replacement (6 vehicles)	16
T-Lift Paratransit Bus Replacement (3 vehicles)	16
Airport Construct Remainder Taxiway D	14
Acquisition/ Renovation of Riverfront Office Space	11
Kaw WTP - High Service HSKW (c)	NS
SE Area Transmission main	NS
Waterline Rehab & Replacement	NS
Security Improvements	NS
Misc Water System Improvements	NS
Force Main Project - PS#25 forcemain & Improvements	NS
Anaerobic Digester Improvements	NS
6.9 mgd WWTP w/BNR & Solids Processing	NS
Wakarusa Rive WRF Collections Systems	NS
I/I Removal	NS
General Sanitary Sewer Improvements	NS
General Pumping Station Improvements	NS
General WWTP Improvements	NS
Projects Not Able to be Funded in 2008 Capital Budget	
Technical Rescue	20
Ladder 2 - 630	20
23rd & Ousdahl Drainage	19
Wakarusa Service Center	18
Acquisition /Redevelopment of former Farmland site	18
ITC Renovation - Phase 1 of Planning/design	17
Update Parks & Rec Master Plan	17
DeVictor Park - Phase II	16
Burroughs Creek Trail - Phase II	16
Sidewalk Haskell, 15th to 23rd	15
Traffic Signal Upgrade	13
Downtown Light Pole Replacement	13
Memorial Park Cemetery	13
Bus cut out at 33rd Street	12
Intersection Upgrade	11
Traffic Calming	11
Airport Perimeter/Security Fence	10
East Lawrence Center Parking Lot addition	9
Benefit District Projects	6
Airport Master Plan Update	NS

2008 CAPITAL IMPROVEMENT BUDGET

Project	Cash	General Obligation Bonds Backed By				Water and Waterwater Revenues*	Fed. or State Aid	Total
		Property Tax	Sales Tax	Special Assmt.	Storm Water Utility			
Previously Committed Projects								
19th & Louisiana		500,000					\$ 300,000	\$ 800,000
6th Street ITS		250,000					\$ 250,000	\$ 500,000
KLINK		450,000					200,000	\$ 650,000
23rd & Harper		150,000					200,000	\$ 350,000
Ohio Brick Street Renovation		300,000					600,000	\$ 900,000
subtotal	\$ -	\$ 1,650,000	\$ -	\$ -	\$ -	\$ -	\$ 1,550,000	\$ 3,200,000

Additional Recommended Projects								
Lease or Purchase Engine 6 - 628		840,000						\$ 840,000
Lease of Purchase Engine 7 - 629		840,000						\$ 840,000
Evidence Storage & Processing Facility - Wakarusa Drive - Phase 1 Construction		1,000,000						\$ 1,000,000
Airport Construct Remainder Taxiway D		27,400					521,000	\$ 548,400
Phase I Renovation of Riverfront Office Space		1,000,000						\$ 1,000,000
Fixed-Route Bus Replacement (6 vehicles)	640,000						1,280,000	\$ 1,920,000
T-Lift Paratransit Bus Replacement (3 vehicles)							159,000	\$ 159,000
<i>subtotal</i>	\$ 640,000	\$ 3,707,400	\$ -	\$ -	\$ -	\$ -	\$ 1,960,000	\$ 6,307,400

Water and Wastewater Utility Fund Projects								
Kaw WTP - High Service HSKW (c)						158,171		\$ 158,171
SE Area Transmission main						7,541,800		\$ 7,541,800
Waterline Rehab & Replacement						1,216,700		\$ 1,216,700
Security Improvements						730,020		\$ 730,020
Misc Water System Improvements						1,216,700		\$ 1,216,700
Force Main Project - PS#25 force main & Improvements						2,600,000		\$ 2,600,000
Anaerobic Digester Improvements						5,000,000		\$ 5,000,000
6.9 mgd WWTP w/BNR & Solids Processing						30,000,000		\$ 30,000,000
Wakarusa River WRF Collections Systems						14,000,000		\$ 14,000,000
I/I Removal						791,000		\$ 791,000
General Sanitary Sewer Improvements						730,000		\$ 730,000
General Pumping Station Improvements						244,000		\$ 244,000
General WWTP Improvements						244,000		\$ 244,000
<i>subtotal</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,472,391	\$ -	\$ 64,472,391

TOTAL FOR ALL RECOMMENDED PROJECTS	\$640,000	\$5,357,400	\$0	\$0	\$0	\$64,472,391	\$3,510,000	\$73,979,791
---	------------------	--------------------	------------	------------	------------	---------------------	--------------------	---------------------

2008 CAPITAL IMPROVEMENT BUDGET

Function	Cash	General Obligation Bonds Backed By				Water and Waterwater Revenues*	Fed. or State Aid	Total
		Property Tax	Sales Tax	Special Assmt.	Storm Water Utility			
General Government	\$ 640,000	\$ 5,357,400	\$ -	\$ -	\$ -	\$ -	\$ 3,510,000	\$ 9,507,400
Parks and Recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Utility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,863,391	\$ -	\$ 10,863,391
Wastewater Utility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,609,000	\$ -	\$ 53,609,000
Storm Water Utility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 640,000	\$ 5,357,400	\$ -	\$ -	\$ -	\$ 64,472,391	\$ 3,510,000	\$ 73,979,791

* Master Plan calls for issuing Revenue Bonds in odd numbered years. Bonds required for 2008 projects were issued in 2007.

2008 CAPITAL IMPROVEMENT BUDGET IMPACT ON CITY'S OPERATING BUDGET

The following projects are slated for the 2008 construction year. Included are project costs and a description of any anticipated operating budget and/or related service impacts.

19th & Louisiana

Project Description: Intersection improvements including center turn lane and a bus turnout lane to improve the safety of the intersection for traffic and pedestrians.

City Cost: \$500,000

Operating Budget Impact: The city will be able to reduce mill and overlay expenses by \$25,000.

6th Street ITS

Project Description: Installation of fiber-optic cable, modems, and central control hardware/software to develop a closed-loop traffic signal system to monitor and optimize traffic flow along 6th Street between Massachusetts Street and Iowa Street, especially during peak times of day and during special events.

City Cost: \$250,000

Operating Budget Impact: Maintenance costs should be similar to existing signalization. By optimizing traffic flow, savings will be experienced in terms of travel times and a reduction in emissions.

KLINK - mill and overlay – 23rd Street, from Iowa Street to Louisiana Street

Project Description: The connecting link project scheduled for 2008 is the improvement of 23rd Street from Iowa to Louisiana.

City Cost: \$450,000

Operating Budget Impact: staff time to review plans and bid documents, monitor progress of project; operating budget impact minimal in year one; potential decrease in maintenance costs in subsequent years.

23rd & Harper

Project Description: Installation of a left turn lane on Harper, south of 23rd Street as recommended by the Road Safety Audit.

City Cost: \$150,000

Operating Budget Impact: Annual maintenance is estimated to be \$10,000.

Ohio Brick Street Renovation

Project Description: Rebuilding of brick streets on Ohio, from 6th to 8th in order to repair street in keeping with the historical nature of this neighborhood.

City Cost: \$300,000

Operating Budget Impact: Annual maintenance costs should be minimal.

Apparatus – Engine 6

Project Description: Lease or purchase of an Engine to replace the existing apparatus that is 21 years old, has 94,478 miles and 9,716 operation hours. The apparatus has accumulated 52.43 replacement points. Vehicles with 30 or more points are considered as needing immediate consideration for replacement.

City Cost: \$840,000

Operating Budget Impact: The impact on the operating budget should be a decrease in maintenance costs. Downtime of this apparatus should be decreased as well.

2008 CAPITAL IMPROVEMENT BUDGET IMPACT ON CITY'S OPERATING BUDGET

Apparatus – Engine 7

Project Description: Lease or purchase of an Engine to replace the existing apparatus that is 21 years old, has 86,676 miles and 7,849 operation hours. The apparatus has accumulated 48.70 replacement points. Vehicles with 30 or more points are considered as needing immediate consideration for replacement.

City Cost: \$840,000

Operating Budget Impact: The impact on the operating budget should be a decrease in maintenance costs. Downtime of this apparatus should be decreased as well.

Evidence Storage and Processing Facility

Project Description: Phase I of construction of an evidence storage and processing facility on city owned property near the Clinton Water Treatment Plant on Wakarusa Drive. This project combines evidence, found property, and archived records from five locations across the City into one central facility.

City Cost: \$1,000,000

Operating Budget Impact: Once construction is complete, the facility will require staffing, estimated at approximately \$140,000 each year.

Airport Construction Remainder Taxiway D

Project Description: This is the City's 5% match to FAA funding for a project to construct the remainder of Taxiway D as recommended by the Airport Advisory Board and the Municipal Airport Master Plan.

City Cost: \$27,400

Operating Budget Impact: staff time to adhere to FAA requirements and progress through design, bidding and construction phases. Potential for improved safety related cost savings.

Phase I of Renovation of Riverfront Office Space

Project Description: Assuming an agreement can be reached, the City would enter into a lease with an option to purchase the west portion of the former Riverfront Outlet mall. Phase I would be the renovation of the middle floor to house a "one stop shop" for the City's newly created Planning Development Services Department.

City Cost: \$1,000,000

Operating Budget Impact: Several city operations are currently housed in space which the City's leases from private owners. Cost benefit analysis has shown that purchasing a facility would be more cost effective than continue to make lease payments, which are subject to annual increases.

Fixed- Route Bus Replacement

Project Description: Acquire 35ft., ADA-accessible, heavy-duty, diesel transit vehicles to replace vehicles in existing fixed-route fleet that have met their useful service-life. New buses acquired will have a service life of twelve (12) years or 500,000 miles. Note: The vehicles will be acquired utilizing federal and state funds as well as local funding in the transit equipment reserve fund.

City Cost: \$640,000

Operating Budget Impact: Maintenance costs should be reduced as well as down time for vehicles. Replacement prior to the request for bids for service providers should also keep operational costs lower.

2008 CAPITAL IMPROVEMENT BUDGET IMPACT ON CITY'S OPERATING BUDGET

Paratransit Bus Replacement

Project Description: Acquire three (3) ADA-accessible Paratransit vehicles annually to replace existing vehicles in the fleet that have met their useful service life requirements. Note: vehicles will be purchased utilizing 100% State of Kansas CTP funding.

City Cost: \$0

Operating Budget Impact: Maintenance costs should be reduced as well as down time for vehicles. Replacement prior to the request for bids for service providers should also keep operational costs lower.

Kaw WTP – High Service HSKW (c)

Project Description: Replacement of three existing West Hills Service Area High Service Pumps at the Kaw Water Treatment Plant. Due to age and wear, the existing pumps do not function at their rated capacity.

City Cost: \$158,171

Operating Budget Impact: Project will be designed by an engineering consultant and construction performed by a contractor selected by bid. Staff involvement would include selection of design engineer, review of plans/specs, and project inspection. Increased capacity, reduced maintenance and increased system reliability are project outcomes.

SE Area Transmission Main

Project Description: Construction of a new treated water transmission main from the Kaw Water Treatment Plant to the Southeast Area of Lawrence, approximately 23rd & O'Connell. The project provides redundant waterlines to North Lawrence and for expanded service to the Southeast Area of Lawrence including service to Baldwin and Rural Water District 4. The project is divided into 3 phases through 2010 with a total length of 31,000 linear feet of 36" & 30" diameter pipe.

City Cost: \$7,541,800

Operating Budget Impact: Project will be designed by an engineering consultant and construction performed by a contractor selected by bid. Staff involvement would include selection of design engineer, review of plans/specs, project inspection, and some customer service during project. Additional operational and maintenance cost due to increased infrastructure inventory.

Waterline Rehabilitation and Replacement

Project Description: Replacement of existing waterlines to improve the quality, quantity, and reliability of water distributed.

City Cost: \$1,216,700

Operating Budget Impact: Projects are performed by contractor. Staff involvement would include selection of design engineer, review of plans/specs, project inspection, and customer service during project. Reduced maintenance, including line-flushing, response to customer complaints, and improved system reliability are project outcomes. Projects are selected annually and are typically in older neighborhoods, due to the age of existing infrastructure.

Security Improvements

Project Description: Improvements within water supply and distribution system to reduce vulnerability and improve security/safety/reliability of system.

City Cost: \$730,020

Operating Budget Impact: Staff time to work with a design consultant to review design and specs, provide assistance during installation phase and administration of service contract. Some inspection

2008 CAPITAL IMPROVEMENT BUDGET IMPACT ON CITY'S OPERATING BUDGET

time for staff is also anticipated. Ongoing maintenance of system costs will become part of the operating budget as well.

Misc. Water System Improvements

Project Description: General water system improvements and replacements, such as pump replacements, chemical feed equipment upgrades/replacement, etc.

City Cost: \$1,216,700

Operating Budget Impact: Projects performed by a contractor would involve project monitoring by staff (plan/spec review, inspection, etc.). Potential for reduced frequent day-to-day maintenance on equipment (pumps, chemical feed equipment, etc.)

Force Main project - PS #25 force main and improvements

Project Description: Improvements to the existing PS25 and forcemain to increase the pumping capacity to approximately 6.0 MGD. Construction of a second parallel forcemain to convey the increased pumping.

City Cost: \$2,600,000

Operating Budget Impact: Project will be designed by an engineering consultant and construction performed by a contractor selected by bid. Staff involvement would include selection of design engineer, review of plans/specs, project inspection, and some customer service during project. Staff will be providing the instrumentation and control equipment and integration services. Additional operating and energy costs expected due to the higher capacity pumps. Reduced maintenance costs and improved system reliability are project outcomes.

Anaerobic Digester Improvements

Project description: Improvements and expansion of existing digester facilities at the Kansas River Wastewater Treatment Plant.

City Cost: \$5,000,000

Operating Budget Impact: The anaerobic project is an increase in installed infrastructure, buildings and is an increased level of process stabilization. This expansion will require additional expenditures for consumables, energy as well as general operational and maintenance efforts by either staff and or contracts.

6.9 mgd Water Reclamation Facility w/BNR & Solids Processing

Project description: First phase of the design and construction of the new 6.9 MGD Wakarusa Water Reclamation Facility. This facility was outlined in the 2003 Wastewater Master Plan. A siting study has been completed and the site has been acquired by the City. An NPDES permit is in the process of being issued by the state.

City Cost: \$30,000,000

Operating Budget Impact: Project is being procured by the design/build method. Staff involvement would include design and process review and evaluations, value engineering efforts, review of plans/specs, project inspection, and some customer service during project. Staff will be providing the instrumentation and control equipment and integration services. Additional staff, operational and maintenance cost will be required to operate and maintain the additional infrastructure.

2008 CAPITAL IMPROVEMENT BUDGET IMPACT ON CITY'S OPERATING BUDGET

Wakarusa River Water Reclamation Facility Collection System

Project description: First phase of the design and construction of the conveyance system for flows to the Wakarusa Water Reclamation Facility. Project includes modifications to the existing Pump Station PS09 including the construction of additional flow equalization storage basin; construction of a new influent pump station, forcemain and gravity lines to the Wakarusa Water Reclamation Facility.

City Cost: \$14,000,000

Operating Budget Impact: Project is being procured by the design/build method. Staff involvement would include design and process review and evaluations, value engineering efforts, review of plans/specs, project inspection, and some customer service during project. Staff will be providing the instrumentation and control equipment and integration services. Additional staff, operational, and maintenance costs will be required to operate and maintain the additional infrastructure.

Inflow/Infiltration Reduction Program

Project description: Projects designed to reduce the inflow and infiltration of storm water into the sanitary sewer system based on system monitoring results and flow data.

City Cost: \$791,000

Operating Budget Impact: Projects are performed by contractors. Staff involvement would include determination of appropriate projects from priority list, selection of design engineer, review of plans/specs, project inspection, and customer service during project. Reduced maintenance, including reduced wear/tear on pump stations (due to reduced flow), fewer responses to customer complaints, and improved system reliability are project outcomes. Projects are selected annually and are typically in older neighborhoods, due to the age of existing infrastructure.

General Sanitary Sewer System Improvements

Project Description: General sanitary sewer collection system improvements throughout the City.

City Cost: \$730,000

Operating Budget Impact: Projects performed by a contractor would involve project monitoring by staff (plan/spec review, inspection, etc.). Potential for reduced frequent day-to-day maintenance on equipment (pumps, motors, pipe repairs, etc.).

General Pumping Station Improvements

Project Description: Miscellaneous improvements to sanitary sewer pumping stations located throughout the system, as per prioritized project list, to improve reliability.

City Cost: \$244,000

Operating Budget Impact: Projects performed by a contractor would involve project monitoring by staff (plan/spec review, inspection, etc.) Potential for reduced frequency of repairs to pumps, equipment, etc.

General WWTP Improvements

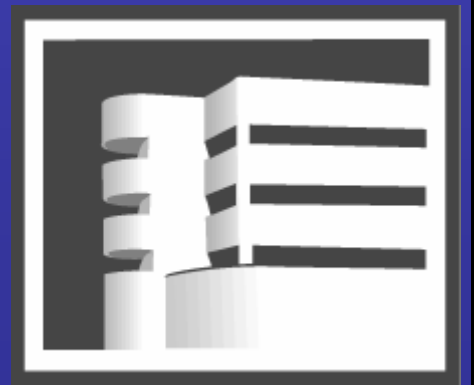
Project Description: Miscellaneous improvements to WWTP located throughout the facility, as per prioritized project list, to improve reliability.

City Cost: \$244,000

Operating Budget Impact: Projects performed by a contractor would involve project monitoring by staff (plan/spec review, inspection, etc.) Potential for reduced frequency of repairs to pumps, equipment, etc.



City of Lawrence, Kansas **Appendix**



Appendix

List of Acronyms
Glossary of Terms

LIST OF ACRONYMS

ADA	Americans with Disabilities Act
CASA	Court Appointed Special Advocate
CC	City Commission
CIP	Capital Improvement Plan
CVB	Lawrence Convention and Visitors Bureau
D2000	Downtown 2000
DCCCA	Douglas County Citizens Committee on Alcoholism
ERC	Employee Relations Committee
ERU	Equivalent Residential Unit
FAA	Federal Airport Administration
FEMA	Federal Emergency Management Agency
FTE	Full Time Equivalent
GASB	Government Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GO Bonds	General Obligation bonds
GPS	Global Positioning System
HHW	Household Hazardous Waste
HVAC	Heating Ventilation and Air Conditioning
IAFF	International Affiliation of Fire Fighters
ITC	Investigative Training Center
KDOT	Kansas Department of Transportation
KU	University of Kansas
LAVTR	Local Ad Valorem Tax Relief
LDCHD	Lawrence Douglas County Health Department
LEAP	Lawrence Excellence Award Program
LED	Light Emitting Diode
LPD	Lawrence Police Department
LPOA	Lawrence Police Officers Association
NAIA	National Association of Intercollegiate Athletics
NELAP	National Environmental Laboratory Accreditation Program
NPDES	National Pollutant Discharge Elimination System
RFP	Request For Proposals
ROW	Right of Way
RS District	Single Family Residential District
SLT	South Lawrence Trafficway
SWAN	Solid Waste Annex North
T2025	Transportation 2025
TIF	Tax Increment Financing
USD497	Unified School District 497
WRAP	Working to Recognize Alternative Possibilities
WTCS	Women's Transitional Care Services
WWTP	Wastewater Treatment Plant

GLOSSARY OF TERMS

ACCRUAL BASIS OF ACCOUNTING	The method of accounting under which debits and credits are recorded at the time they are incurred. The accrual basis of accounting is used for Enterprise Funds such as the Water and Sewer Fund.
AD VALOREM	Latin term meaning "from the value". It is used to refer to property taxes.
AD VALOREM TAXES - CURRENT	Taxes on real and personal property, except motor vehicles. Calculated by multiplying the assessed value by the mill levy.
AD VALOREM TAXES - DELINQUENT	Property taxes that are not paid by either December 20th or June 20th. Kansas statutes allow property owners the right to pay half their tax on December 20th and the second half on June 20th.
APPRAISED VALUE	An amount determined by the County Appraiser's office as to what a property is worth. In Kansas, property is appraised at 100% of market value.
AQUATIC PROGRAMS	All fees collected for programs conducted at the outdoor and indoor aquatic centers in Fund 211, the Recreation Fund.
ASSESSED VALUATION	A valuation set upon real estate or other property by the County Assessor and the State as a basis for levying ad valorem property taxes. In Kansas, the percentages are: Residential (11.5%); Commercial (30%); and Personal (20%).
BALANCED BUDGET	An operating budget in which the operating revenues plus beginning fund balance are equal to, or exceed, operating expenditures.
BONDS	Debt instruments representing a promise to pay a specified amount of money at a specified time and at a specified periodic interest rate. Bonds are used to finance major capital projects or adverse judgments.
BUDGET	A financial plan for a specified period of time of the governmental operation that matches all planned revenues and expenditures with the services provided to the residents of the city.
BUDGET MESSAGE	A general outline of the proposed budget, which includes comments regarding the financial status of the government at the time of the message and recommendations regarding the financial policy for the coming period.
BUILDING RENTAL	All fees collected for the use of community centers and outdoor park shelters in Fund 211, the Recreation Fund.

GLOSSARY OF TERMS

CAPITAL IMPROVEMENT PROGRAM (CIP)	A multi-year plan for capital expenditures needed to maintain and expand the public infrastructure. It projects the infrastructure needs for a set number of years and is updated annually to reflect the latest priorities, cost estimates, or changing financial strategies.
CAPITAL IMPROVEMENTS	Expenditures related to the acquisition, expansion or rehabilitation of an element of the City's infrastructure.
CAPITAL OUTLAY	Equipment valued at more than \$1,000 and having a useful life of more than one year.
CASH BASIS RESERVE	An amount of funds set aside to insure that sufficient cash is available to pay principal and interest payments in case the receipt of property taxes is delayed in Fund 301, the Bond and Interest Fund.
CLASS ENROLLMENT	Revenue collected for providing class instruction in Fund 211, the Recreation Fund.
COMMISSION / POSTAGE	Expenses related to bond issuance including attorney fees, printing fees, and financial advising in Fund 301, the Bond and Interest Fund.
COMMODITIES	Consumable goods, such as office supplies, that are used by the City.
CONCESSIONS	Revenues generated from the sale of concession products at parks and recreation facilities in Fund 211, the Recreation Fund.
CONTRACTUAL SERVICES	Services provided to the City by firms, individuals, or other City departments.
DEBT SERVICE	Payment of interest and principal on an obligation resulting from the issuance of bonds.
DEVELOPMENT CHARGES	Charges levied at the time building permits are required, to help offset the costs for increased capacity in the water and/or wastewater systems in Fund 501, the Water and Wastewater Fund.
ENCUMBRANCE	A transaction designed to set aside money for a specific future use. Funds can be encumbered by a purchase order or contract.
ENCUMBRANCE ACCOUNTING	Encumbrance accounting is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Projects Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities under generally accepted accounting principles.

GLOSSARY OF TERMS

ENTERPRISE FUND	A type of Fund, which is accounted for in a manner similar to a private business enterprise. Usually the governmental entity intends for enterprise funds to fully recover their costs through user fees.
EXPENDITURES	Current cash operating expenses and encumbrances.
EXTRA PICKUPS, MISCELLANEOUS	Fees for service to the University of Kansas, polycart rental fees, and revenue from the sale of collected newspaper and cardboard in Fund 502, the Solid Waste Fund.
FARE BOX RECEIPTS	Fares collected from transit system users placed in Fund 210, the Public Transportation Fund.
FEES	Revenues collected for Adult and Youth Sports Programs as well as fees for programs and classes at the Nature Center in Fund 211, the Recreation Fund.
FIELD RENT	Fees collected from rental of ball diamonds, soccer fields, and multipurpose field to the public in Fund 211, the Recreation Fund.
FISCAL YEAR	A twelve-month period to which the operating budget applies. In the City of Lawrence, this period is from January 1 to December 31.
FRANCHISE FEES	An amount charged to a utility in exchange for the rights to provide utility services within the City and to operate within the public right-of-way.
FUND	An independent governmental accounting entity with a self-balancing group of accounts including assets, liabilities, and fund balances.
FUND BALANCE	The excess of fund's assets over its liabilities and reserves.
GENERAL OPERATING FUND	Often referred to as the General Fund, this Fund accounts for the revenues and expenditures associated with all services traditionally associated with local governments, except for those services that are required to be accounted for in some other fund. Examples include police and fire services, park maintenance, planning, and building inspection/code enforcement services.
GENERAL OBLIGATION BOND	Long-term debt payable from the full faith and credit of the City. Typically such bonds are payable from property taxes.
GENERAL OBLIGATION BOND - PRINCIPAL	The money owed as long-term debt payable from the full faith and credit of the City.
GENERAL OBLIGATION BOND - INTEREST	The charge for issuing long-term debt payable from the full faith and credit of the City.

GLOSSARY OF TERMS

GOAL	A statement of broad direction, purpose, or intent based on the needs of the community.
GOVERNMENTAL FUND	A Fund used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities - except those account for in proprietary or fiduciary funds. There are four types of governmental funds: general, special revenue, debt service, and capital projects.
GRANTS	Contributions or gifts of cash or other assets from another governmental unit (typically state or federal) to be used or expended for a specified purpose, activity, or facility.
INFRASTRUCTURE	The physical assets of the city (e.g. streets, water/sewer lines, public buildings, and parks).
INTEREST ON INVESTMENTS	Revenue received from the purchase of securities including certificates of deposit, treasury notes and federal agency notes.
INTERFUND TRANSFER	Transfer of resources between funds that are not recorded as revenues to the fund receiving or expenditures to the fund providing.
INTERGOVERNMENTAL REVENUE	Grants or distributions received from other governments including distributions from the countywide sales tax as well as statutory transfers from the State.
LAVTR	"Local Ad Valorem Tax Reduction". Revenues received from the State to help reduce local property taxes.
LINE ITEM	An individual expenditure category listing in the budget (personal services, commodities, contractual services, etc.)
MILL LEVY	The tax rate to apply when calculating property taxes. A mill represents 1/10 of 1 cent. The mill levy is typically expressed as an amount per \$1000 of assessed valuation, (i.e., a mill levy of 1.00 would result in a tax of \$1.00 per each \$1,000 in assessed valuation.)
MODIFIED ACCRUAL BASIS OF ACCOUNTING	Under this method of accounting, revenues are recognized when they are both measurable and available within a certain time period. Expenditures, other than interest on long-term debt, are recorded as liabilities when incurred. The General Fund and Special Revenue Funds follow this method of accounting.
OPERATING BUDGET	The budget that applies to all expenditures except capital improvement projects.

GLOSSARY OF TERMS

PAYMENT-IN-LIEU-OF TAXES	An amount charged enterprise operations equivalent to the City property taxes that would be due on a plant or equipment if the enterprise operations were for profit companies.
PERSONAL SERVICES	Cost of wages, salaries, retirement, and other fringe benefits for City employees.
PROGRAM	A group of related activities performed by one or more organizational unit for the purpose of accomplishing a function for which the City is responsible.
RESERVES	An account used to indicate that a portion of a fund balance is restricted or set aside for emergencies or unforeseen expenditures not otherwise budgeted for.
REVENUE	Income for the fiscal year. The major categories of revenue include taxes, state shared revenues, fees and charges, interest on investments, and fines and forfeits.
REVENUE BONDS	Long-term debt payable from a designated revenue source such as water revenue or sales tax revenue.
ROLL OFF	Fees for roll-off services including container charges, delivery and pick up fees, as well as landfill charges in Fund 502, the Solid Waste Fund.
SANITATION SERVICE CHARGE	Normal solid waste collection fees for industrial and commercial dumpster services and residential solid waste collection in Fund 502, the Solid Waste.
SPECIAL ASSESSMENTS	Property taxes incurred by property owners within a designated area for improvements that benefit the area. A majority of the affected property owners must approve the formation of the benefit district.
SPECIAL POPULATIONS	Fees collected for recreation programs provided for special needs populations in Fund 211, the Recreation Fund.
SPECIAL REVENUE FUNDS	A type of Fund used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for specified purposes.
STATE GRANTS	Moneys received through the Kansas Department of Health and Environment Solid Waste Implementation Grant awarded on a project specific basis in Fund 502, the Solid Waste Fund.
STATE-SHARED REVENUES	Revenues levied and collected by the State but shared on a predetermined basis with local governments.

GLOSSARY OF TERMS

TAX LEVY	The total amount to be raised by general property taxes for the purposes specified in the approved city budget.
TAX RATE	The amount of tax levied for each \$1,000 of assessed valuation.
USER FEES	The payment of a fee for direct receipt of a public service by the party benefiting from the service.
WATER AND SEWER CHARGES	The charge to customers receiving water and sewer services provided by the city's treatment, distribution, and collection systems, which pay for operational and capital costs in Fund 501, the Water and Wastewater Fund.
WATER TAPS	Charges paid, according to size of connection, by developers / property owners for connection to the city's existing water mains in Fund 501, the Water and Wastewater Fund.
WATER MAIN EXTENSIONS	Charges for materials, labor, and equipment related to the extension of the city's water distribution system (up to and including twelve inch water mains), typically paid by developers and/or property owners in Fund 501, the Water and Wastewater Fund.